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Mr. HURD'S FREE TRADE RESOLUTION.

SPEECH

OF

HON. WILLIAM D. KELLEY,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

FEBRUARY 18, 1881.

WASHINGTON.
1881.

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SPEECH

OF

HON. WILLIAM D. KELLEY.

The House being in Committee of the Whole House on the state of the Union, and having under consideration the bill (H. R. No. 7099) making appropriations for the Agricultural Department of the Government for the fiscal year ending June 30, 1882, and for other purposes—

Mr. KELLEY said:

Mr. CHAIRMAN: On the 6th of December last the gentleman from Ohio introduced and caused to be referred to the Committee of Ways and Means what is now popularly known as "the Hurd free-trade resolution." It embodies nine propositions, which the author declares set forth the principles that should regulate any tariff levied by the American Congress. In view of our varied, complex, and expanding industries; of the illimitable store and variety of raw material for manufacture with which our country is endowed, vital elements of which are found in every part of our country, and which, by reason of this wide diffusion, necessitate internal traffic, and offer remunerative business to the amplest conceivable systems of internal transportation; of the immense capital, most of which having been created by our productive industries, is now invested in railroads, buildings, and machinery constructed for the transportation and conversion of native raw materials into finished commodities; of the constantly increasing millions of people to which these furnish employment at wages so remunerative as to make our home market for the productions of the field and the factory the best market in the world, and to invite an immense annual immigration —in view, I say, of all these stupendous facts, the gentleman from Ohio [Mr. HURD] in this resolution proposes to declare it to be the duty of Congress to modify our tariff, to which these great interests have adjusted themselves, in accordance with a few abstract propositions which have commended themselves to his judgment.

In January, 1870, the Corps Legislatif entered upon an exhaustive discussion of the effect upon French interests of the commercial treaties between France and other countries. M. Thiers bore a conspicuous part in that controversy. Having in his opening speech presented the protectionist side of the question, from time to time as occasion invited he defended the positions he had assumed. In the course of

his speech on the 26th of January he exclaimed, "My adversary proves that he has studied the question more in books than in practice."

As I gave the propositions of the gentleman from Ohio a first hasty reading, I concluded that he had not studied the question as a practical one, but in books only, though his propositions are vitally related to every detail and ramification of our industries. This judgment investigation and reflection have confirmed. The form of the resolution may be claimed by the gentleman, but its substance belongs to others. It would be an easy matter to assign each of his propositions to the British writer who propounded it, or who has given it prominence in discussion. There is not one of them that the senior members of the House will not recognize as a familiar acquaintance. Indeed, every one of them has during my congressional career been discussed by scores of gentlemen in this Hall. They are so many exploded fallacies, and the refutation of each and all of them may be drawn from our industrial experience or that of other nations. The assumption that underlies this remarkable production is that trade, which calls into ceaseless action the emotions and master passions of men, is regulated by laws as absolute as those of geometry. The laws which govern production, distribution, and consumption are not those of an exact science. "It is true," said Hamilton, "that in arithmetic two and two make four, but it is not true in trade and finance."

Let me state the propositions propounded by the gentleman. They are as follows:

First. A tariff is a tax upon imported goods, which is ultimately paid by the consumer, as the importer always adds to the selling price the amount of duty paid.

Second. A tariff for protection, so called, does not in most cases protect the interest it pretends to foster.

Third. A protective tariff does not increase the wages of workingmen.

Fourth. A protective tariff builds up one citizen at the expense of another, for every dollar of additional price that protection enables the manufacturer to charge must be paid by another citizen.

Fifth. A protective tariff disturbs the operation of the primal law of trade which governs all exchanges by the supply and demand of the articles to be exchanged.

Sixth. The present protective tariff has driven the American carrying trade from the high seas by enhancing the price of the materials which enter into the construction of vessels so that American shipbuilders cannot compete with foreigners engaged in the same business.

Seventh. A protective tariff increases the possibility of the crime of smuggling.

Eighth. A protective tariff shuts out the American manufacturer

from the markets of the world. Our manufacturers need more an increase of market by which foreign capital can be brought into this country than protective legislation which takes money from one American pocket to put it into another.

The ninth paragraph is a statement of the means by which the gentleman would bring our tariff to a revenue standard. It will be regarded by practical men, whether merchants or manufacturers, as eminently illustrative of the author's want of knowledge of the relation of customs duties to the productive industries of his country.

Let us examine these propositions *seriatim:*

IS THE DUTY PAID BY THE CONSUMER?

Is the tariff on imported goods always paid by the consumer? Is it true that the importer always adds the amount of duty paid to the selling price of a commodity? As a proposition touching the goods imported into the United States, with few and marked exceptions, this proposition is absolutely untrue. Indeed, it can only be true, and not invariably there, in such free-trade, and consequently non-manufacturing countries as Turkey, India, and the South American States. In our country, France, Belgium, Germany, and Austria, which, by aid of the protective system, have developed the capabilities of their people and made the investment of capital in manufactures safe, the foreigner who finds a market for his wares in competition with those of like character of native production ordinarily pays the duty. The recent increase of Canadian duties elicited a pointed illustration of this general law. The duty on type had been 5 per cent. The new tariff law raised it to 20 per cent. Did the importers of type raise the price of their goods by imposing the increased duty on the consumer? No; for, seeing that increase of price might develop domestic production of type, they at once assumed the payment of the duty. The leading importing house, that of Miller & Richard, at once advised the printers of the Dominion by advertisement displayed in the commercial journals that "imported type would, notwithstanding the increase of duty, be sold at the old prices." Related to this question is that of paper, every grade of which, whether for writing, printing, or wrapping, has been cheapened under protective duties.

A little reflection would, I think, have satisfied the gentleman that his first proposition is worse than a glittering generality, that it is a sophism calculated to mislead the ignorant and unthinking. Had he questioned himself as to its truth, it would probably have occurred to him that he who seeks a market for his goods must bear all charges, and that this law holds good in international as well as in local trade It is only when demand exceeds supply or the market is controlled by a foreign monopoly that duties can be imposed on the consumer of imported goods. The truth is that the primary dependence of the manufacturer is upon the home market of his country. In this market

the producer and consumer are near to each other. Charges for transportation are consequently light, and as purchases may be made in accordance with the demands of the season, there is little loss of interest by either manufacturer or merchant from holding goods in stock for an uncertain demand. In purely domestic trade the interest charge on stock account is reduced to a minimum and the profits of middlemen are avoided.

Exports to manufacturing countries whose manufactures are adequately protected, except such articles as the importing country does not produce, are largely made on consignment by the manufacturer, and consist of goods produced for the home market, but which have been found to be in excess of its requirements. They are generally consigned to an agent who sells them at auction or otherwise irrespective of tariff regulations or of the question of profit or loss. His business is to sell the consignment, earn his commission, and promptly remit the proceeds of sale to his principal. When the spice crop exceeded the demand of the market, the Dutch maintained prices by burning the surplus. The foreign rivals of our manufacturers adopt a less expensive plan of maintaining prices in their home market; they throw the surplus of each spring and autumn upon the markets of rival countries. While thus interfering with the legitimate course of trade in the country to which they consign goods, they add what they receive for their consignments to the profits derived from the home trade regardless of the question of duties or even of that of price. They have realized the season's profit and now seek by damaging the market of a rival to avert a glut in their home market for the next year. This is not theory. It is but a statement of commercial practice, a law of international trade recognized by all merchants.

Under the ordinary conditions of trade we export but few manufactured commodities. The volume increases from year to year, but our exports of manufactured goods consist generally of specialties, in the production of which we excel all others. Our home market is the best in the world, and we have not the producing capacity to supply the wants of American consumers, as is attested by our immense consumption of foreign staple goods. Yet the expediency of unloading their surplus stock of goods in foreign markets is not unknown to our manufacturers and merchants. During the financial depression which followed the demonetization of silver by Germany and the United States and our enactment of a law to reduce the volume of our circulating Treasury notes to $300,000,000, our manufacturers, perceiving the steady diminution of their home market, and consequent decline of prices, sought relief in an export trade, and month by month announcements, sometimes official and always of a flaming character, were made of our increasing exports of manufactured goods. When leisure afforded opportunity, I sought many of the consignors of

goods and found that they were availing themselves of the teachings of older nations and of ordinary commercial prudence. "No," said one of the most intelligent of them in response to my question as to whether the foreign market was a real one, "to force sales of our goods at home would be to further depress an already unremunerative market. We are making our losses abroad, and sharing them with those who usually supply the countries to which we ship, whether they be English, French, or Germans. We are sacrificing our goods where others will share our loss, instead of further depressing our own market." The truth of these statements was proven by the fact that with the renewal of our domestic trade our unusual export of American manufactures ceased.

CRUCIBLE-STEEL, SILK, AND BESSEMER RAILS.

The converse of my proposition is also true. He who sells goods for which there is an active demand may subject them to all charges. Many facts in our own history illustrate this side of the proposition. Let me allude to cast-steel, silk, and Bessemer rails as illustrations of this law. Many attempts to establish the manufacture of cast-steel had been made in this country. They had cost the enterprising men who made them their fortunes. Calculating the cost of production, and taking the prices at which cast-steel then sold in their market, they saw room for a reasonable profit. But when they had constructed their works, gathered about them workmen, and put their product on the market, they found that the price had fallen; that their British competitors were selling at rates which were not only unremunerative but which might prove ruinous to them; and after a brief struggle, they succumbed, not to fair competition under free trade or a revenue tariff, but, as I shall show, to a combination of foreign capitalists. The last signal failure of an American establishment for the production of cast-steel occurred in 1860. The Morrill tariff bill of 1861 and its supplements, passed under the exigencies of the war, imposed large duties on cast-steel. Under those adequately protective duties it has come to be one of our well-established industries, and we supply from our own raw materials, converted by American tax-payers, to the manufacturers of every form of steel tool and implement as good steel as the world can produce; and it is a noteworthy fact that we supply it at lower prices than the same grade could be imported before the higher duties were imposed.

The same story may be told as to silk, except that its manufacture was attempted at a much earlier period than that of steel. It was, I think, Queen Caroline who, on the occasion of her coronation, wore a dress made of silk produced from American cocoons in the then loyal colony of Georgia; and from that time until 1861 ineffectual efforts to establish various branches of the silk industry in this country had been made. The financial exigencies of the war forced us to develop it. Silk goods were a luxury which the then Committee of Ways and

Means believed the people would have at any price, and they imposed high rates of duty upon all forms of such goods. What has been the result? Silk has taken high rank among our industries. We may now speak of silk goods as among our great staple manufactures. Its establishment has created prosperous and beautiful towns and cities, chief among which stands Paterson, New Jersey. And though fashion may yield the palm of beauty of design to French goods, utility seeks assurance that the silk which is to grace the farmer's or mechanic's wife or daughter is of American production. In this case, as in that of cast-steel, price has receded as quality has improved.

In the matter of Bessemer steel the story, like unto those of cast-steel and silk, is all within my own memory. In 1865 small importations of Bessemer rails were made for use in the station-yards at Philadelphia of the Pennsylvania and the Philadelphia and Baltimore Railroads. The lowest price at which they could be imported was $150 per ton in gold. Enterprising proprietors of American iron-works counted the cost of producing Bessemer rails, and in view of the lowest price at which they could be bought, invested large sums of money in the purchase of the patents under which alone such rails could be produced, constructed works at Troy, New York, and at two points in Pennsylvania, and commenced the production of an article for which, guided by the price demanded by British producers, they supposed a fair market price was $150 per ton. They were, however, when they came to put their rails upon the market, met with the best quality of British rails at $120 a ton. Their fortunes were in the patents and their plant. They must find a market, and their first sales were made at $120 per ton. Their foreign rivals, with an enormous combination of capital, knew the value of the American market, and determined to retain it, and that, which before this competition arose they would not sell at less than $150 per ton, was now offered at $100. Embarrassment overtook two of our young establishments, and ruin overwhelmed the third. American genius was brought into requisition. The aid of the geologist and mining engineer was invoked, and while our mechanical engineers and artisans improved the processes for production the mining engineer reported stores of ore for spiegelheisen, for which we had hitherto depended on Germany, as abounding in the Appalachian range. But science and mechanical skill could not have vanquished the combined iron-masters of Britain. Another agency was needed, the protection of the Government to the labor and enterprise of its citizens. This was happily accorded.

The tariff was adjusted to the exigencies of the case; our manufacturers of rails were assured that they should have a fair chance in their own market if they would prepare the means of furnishing our railroad companies at reasonable prices an adequate supply of rails equal to the best foreign product. Under this guarantee of protection Bessemer works have multiplied and expanded, and the price of

rails has been reduced to less than one-half of that which had ruled under a revenue tariff, and, as was shown by reports from some of the leading railroad companies of the country in the investigation of the subject by the present Committee on Ways and Means, the American rail almost invariably outlives its foreign rival. Thus, protection has enabled American citizens to resist an organized warfare upon them and their country's interest; and those who sanctioned what, superficially considered, seemed to be a tax on commodities they were to consume, find themselves rewarded a thousandfold by improvement of quality and reduction of price, and may indulge in a good degree of self-congratulation when they contemplate their further emancipation from the commercial thraldom in which the British Government and its organ, the Cobden Club, have hoped to hold the American people.

Eleven Bessemer works were in operation during last year. They produced 1,203,173 net tons of ingots. How steady and rapid the increase of this production has been the annexed table shows:

	Tons.
1872	120,108
1873	170,652
1874	191,933
1875	375,517
1876	525,996
1877	560,587
1878	732,226
1879	928,972
1880	1,203,173

The total quantity of Bessemer rails produced by these eleven works during last year was 917,592 net tons, and the following table shows the steady increase of their production:

	Tons.
1872	94,070
1873	129,015
1874	144,944
1875	290,863
1876	412,461
1877	432,169
1878	550,398
1879	683,964
1880	917,592

But these figures do not exhibit the total American production of Bessemer rails during 1880. Several mills hitherto engaged in producing iron rails have found it more profitable to purchase ingots and blooms of Bessemer steel for conversion into rails, and a recent number of the Bulletin of the Iron and Steel Association informs the trade that at least 50,000 net tons of rails were thus produced during the last year. It is now apparent that the production for 1881 will mark an immense advance upon that of 1880. Many of the eleven original

works are enlarging their plant and improving their methods. The Vulcan Works at Saint Louis, after several years of idleness, were in full blast on the 1st of January. The Pittsburgh Bessemer Steel Company, Limited, is about commencing operations with a capacity of sixty thousand tons of ingots a year. The North Chicago Steel Company are pushing their works rapidly to completion, and the Colorado Coal and Iron Company are crowning the Rocky Mountains with Bessemer steel works and a mill for rolling rails, with which it is hoped to extend our railroad system, not only to the borders of Mexico, but to her capital.

If the gentleman would know whether the duty on cast-steel, silk, and Bessemer rails is paid by the consumer, let him consult the commercial journals which have for years recorded the daily price of those articles from 1860 to 1880, and he will find that they are all sold irrespective of the rate of duty and at prices lower than they commanded when the American people were wholly dependent on foreign markets for such goods.

But, as these papers may not be accessible to the gentleman, I will furnish him with ample information as to the question of price and who pays the duty on Bessemer rails. That duty is $28 a ton. Before it was imposed, the lowest price at which British rail-makers would sell their goods for the American market was as I have said $150 gold a ton. What effect this duty has had upon prices is shown by the following table which has been carefully prepared by Mr. James M. Swank, the accomplished secretary of the American Iron and Steel Association:

Prices in dollars of American Bessemer steel rails, at works, from 1868 *to* 1880.—*Tons of* 2,240 *pounds.*

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Yearly average.
1868	$165	$167½	$174	$172	$165	$162½	$150	$150	$150	$150	$148	$147½	$158½
1869	145	143¾	135	134	130¼	128	130	130	130	130½	130½	120	132½
1870	110	110	108½	107	106	109¼	110	110	108¾	101½	102½	98	106¾
1871	95	96	106	95	103	104	103⅜	104	106	105⅛	105¼	106½	102¾
1872	104½	104	104½	111½	110	113	114½	115¼	114	113⅝	118	12-¾	112
1873	121	120	122¼	120½	120	121¾	121⅝	121⅜	118	120	120	120	120¼
1874	117½	117½	115	98⅜	98⅛	96¼	91	89¼	78¼	78¼	75⅜	75⅜	94½
1875	71	71	71	69	69	69	69	69	69	67	66	65	68¾
1876	67	65	62	62	62	60	59	59	56	54	53	52	59½
1877	49	49	49	49	47½	46½	45½	44⅜	44	42½	40½	40½	45⅛
1878	41	41½	41½	42	43⅛	43	43⅛	42⅛	42⅛	42⅛	42	41	42¼
1879	41	42	43	42½	42	43	44	48	50	55	61	67	48½
1880	75	85	82	75	65	63⅜	62½	63¼	61½	60	59	58	67½

DOES THE REPEAL OF PROTECTIVE DUTIES REDUCE PRICES?

But the fallacy involved in the gentleman's proposition may be

further illustrated by considering the question, "Does the removal of a duty from an import reduce its price to the American consumer?" Three instances of this kind in our recent experience have furnished evidence that it does not, and that in many instances the question of high or low duty or no duty has nothing to do with the price of imported commodities in our market. Before the reciprocity treaty between Canada and the United States, provincial coal paid a duty of $1.50 per ton. Under that treaty it was for more than ten years free. On the expiration of the treaty, the duty of $1.50 was revived. It was subsequently reduced to $1.25, and subsequently to fifty cents per ton. During all this period, through all these changes, the price of provincial coal in our market was regulated by that of American coal. It sold at our rates when paying the duty of $1.50 per ton. Under the treaty the mine-owner retained the duty, and sold his coal at our rates; and so since the expiration of the treaty the mine-owner or shipper of the coal has paid the duty, but has been unable to get for that on which he has paid duty any better prices than those current for American coal.

A fresher illustration is found under the Hawaiian treaty. When the question of approving the treaty was before this House in 1878, it was asserted by the chairman of the Committee of Ways and Means and other advocates of the treaty, that the people of the Pacific coast would obtain the whole sugar crop of the Hawaiian Islands at the American market rate less the duty. But every gentleman from the Pacific coast will bear me witness that the hundreds of thousands of dollars which but for the treaty would have gone into the Treasury as duty on Hawaiian sugar have been retained by the Hawaiian producers who employ Chinese cheap labor.

A still more recent illustration of the truth I am considering comes to my mind. The duty on quinine was denounced for years by free-traders as a "blood tax." To retain the duty was to tax the sick and the dying for the benefit of a few monopolists; and in a *furore*, without discussion in either House, the duty was repealed. Now, I affirm, without fear of contradiction, that the repeal of the duty on quinine has not reduced its cost in a single case to an American consumer, but was a direct grant to foreign producers of that article of whatever sum the Government might have collected as duty upon it. The price of quinine is higher in our markets to-day than it was when the duty was repealed, or had averaged while our manufacturers were, under a protective duty, employing workmen in its production.

DO PROTECTIVE DUTIES PROTECT?

Is the gentleman's second proposition more tenable than the one we have just considered? It is that "a tariff for protection, so called, does not in most cases protect the interest it pretends to foster." If, as the gentleman asserts in his fourth proposition, the ob-

ject of a tariff is to build up one citizen at the expense of another, I admit the truth of this proposition, and that our protective tariffs have been costly devices for enriching producers at the expense of consumers. But I affirm that such is not the object or effect of a protective tariff. The purpose and effect of such a tariff is to protect American citizens in the fair and reasonable enjoyment of the home market, and by doing this to develop the material resources of the country and the genius, tact, and industry of the people. The action of such a law being general, it cannot promote monopolies, but does invite free competition in the protected industry. When recapitulating the gentleman's propositions I failed to state—as I should have done—that he had appended to each of them a short "stump speech." I refer to the fact now, because I propose to refute the proposition under consideration by quoting part of the speech thereto appended. Here the gentleman says:

While at first it may bring large profits to those engaged in the manufacturing which is assumed to be protected, it soon, by these very profits, invites many persons into the business.

To this statement I assent. A protective tariff always promotes domestic competition, and thereby cheapens protected goods. But the gentleman does not stop here. He proceeds to say:

From which result overproduction, overstocking of the market, low prices, reduction of the hours of labor, shutting down, at least temporarily, of the workshops, embarrassment to the proprietor, and, in many instances, final bankruptcy, in which the large profits made at first are swallowed up, and the large wages at first paid workmen, if saved up at all, are consumed in waiting for a business revival, which, if it does come, will inevitably be attended by the same consequences.

In these suggestions the gentleman confounds causes which are absolutely independent of each other. He ascribes to the action of protective tariffs effects which were due to the unwise and unpatriotic legislation which repealed those laws after manufactures had been created and prosperous communities of industrious families been congregated about there. The terrible consequences he portrays are not due to protection but to the vacillation which characterized our legislation prior to 1861. No preceding decade of our industrial history was as free from such crises as he refers to as have been the twenty years since the passage of the Morrill tariff bill.

Were it the object or effect of a protective tariff to confer benefits on one class of citizens at the expense of another class, I would oppose such legislation with all my power; but, as the gentleman has declared, the effect of protective duties is to create new branches of domestic industry, which, if found to be profitable, soon invite others to engage in them and to give them permanence. Thus, as I have shown, it has been with cast-steel, silk, and Bessemer rails, and these are but illustrative cases of which hundreds might be presented. Per-

haps the most striking in the world's history is that of beet-root sugar, which Bonaparte created by imposing duties on foreign sugar that made its importation almost impossible, and offering enormous bounties to those who should produce the most beets from an acre of French land, or the most sugar from a ton of French beets.

That industry is now a cardinal source of revenue to France, Germany, and other continental nations. It yields 50 per cent. of the world's supply of sweets; and had it not been created by the fostering care of the French Government no man can imagine the price sugar would now command, or the proportion of the people of Christendom who would have to forego the use of so expensive a luxury as it would be. In this connection is it not pertinent to inquire what would be the price of cast-steel, of silk goods, of Bessemer rails, were the world deprived of the supply created by American labor, and which could not have been created but for the beneficent influence of the protective tariffs which have prevailed during the last twenty years?

I have said that the gentleman in attempting to portray the effects of protection confounded causes, and ascribed to the protective system the ruinous consequences of the frequent alternations between protection and free trade which have been inflicted upon the people by democratic theorists. To assume that if those who under assurance of protection organized a new industry found it profitable their success would cause an "overstocking of the market, low prices, reduction of the hours of labor, shutting down, at least temporarily, of the workshops, embarrassment to the proprietor, and in many instances final bankruptcy," &c., is to assume that the enterprising men of America are wanting in common sense and common prudence; and that on a mere show of a chance for profits, they will without investigating the markets or knowing the action of others in the same direction, risk their capital and character in rash experiments. Such incidents as the gentleman enumerates, in which the capital of discreet men has been swallowed up and their laboring people ruined, have occurred and will again occur whenever the legislation of the United States shall be confided, as it has too often been, to a Congress that will act upon the theories propounded by the gentleman. They can never be produced by a protective tariff. On this point I appeal confidently to American history.

AN APPEAL TO AMERICAN HISTORY.

The war of 1812 and the embargo laid by Britain's "orders in council," called into existence many workshops and small factories; but when the war closed there was no tariff for the protection of the capital embarked in these shops or the wages of the laborers they employed. Free trade and sailors' rights was the war-cry. During our colonial days the British Government had, by a succession of statutory

provisions, prohibited to the colonists almost every form of manufacture, and now she saw her chance to reduce to commercial dependence the people of the States whose political independence she had been compelled to acknowledge. The treaty of peace was signed on the 24th of December, 1814, but it was not ratified until 1815, in which year Mr. Henry Brougham, afterward Lord Brougham, in the course of a speech in the House of Commons, appealed to the manufacturers of England to make the pecuniary sacrifice required to suppress the manufactures called into existence in the United States by the recent war. These were his words:

> The peace of America has produced somewhat of the same effect, though I am very far from placing the vast exports which it occasioned upon the same footing with those to the European market the year before, both because ultimately the Americans will pay, which the exhausted state of the continent renders very unlikely, and *because it was well worth while to incur a loss upon the first exportation in order by the glut to stifle in the cradle those rising manufactures in the United States, which the war has forced into existence* contrary to the natural course of things.

The wealthy manufacturers of England were prompt to act on Brougham's suggestion, and in 1816 began a period of suffering and depression for the American people such as they had never experienced. Workshops were closed, and working people without employment were reduced to pauperism. The capital that had been invested in workshops and factories was lost, and enterprise saw no field in which it might profitably engage. From year to year things grew worse, and Cobbett, in his preface to Gouge on Banking, records the fact that in 1821 the best properties in Philadelphia, in which city he then lived, which were subject to mortgage or ground-rent, passed without additional consideration to the holder of the mortgage or ground-rent, the tenant in fee being glad to escape the costs of suit and a judgment for arrears of interest or rent which might cloud his future life.

It was this long period of suffering that compelled Congress to give the American people the protective tariff of 1824, the effect of which on their social condition was little less than magical. Capital, assured by a protective tariff, of the local market, opened mines, relighted the fires in forge and furnace, set looms and spindles to work, and constructed factories larger than had ever existed in the country. So palpable were the beneficent effects of the tariff of 1824 that its rates were increased by the law of 1828 and its provisions extended to branches of industry which had come into existence during the intervening four years. The impulse given to production by this reassurance and extension of protection gave a new impulse to manufactures.

Immigration increased; capital accumulated and was quickly reinvested in manufactures. The country was prosperous and the reve-

nues of the Government abundant. There was no "overstocking of the market;" prices did not fall so low as to force a "reduction of the hours of labor" or lead to "embarrassment to the proprietor;" nor were the wages of workingmen "consumed in waiting for a business revival." It was an era of unprecedented prosperity to the American people, in which workmen came to be employers and workshops expanded to the dimension of factories. The future was full of promise. The American system, as Mr. Clay had been pleased to call the protective policy, promised to secure commercial and financial independence to the country; but alas for that country! Calhoun and others, who then believed in the truth of the propositions propounded by my friend from Ohio, threatened nullification and disunion as the consequence of an attempt on the part of the Government to longer maintain and enforce its tariff laws. What followed we all know. To avert the possibility of war, Mr. Clay introduced his fatal compromise bill, by which duties were to be reduced 10 per cent. each year until they should reach what the free-trade party of the country were willing to recognize as a revenue standard.

Now came the consequences portrayed by the gentleman. Free trade did what he charges upon protection. Our markets were promptly flooded with foreign goods by British monopolists who were willing to make the sacrifice needed to secure the destruction of our prosperous and expanding industries; prices fell, factories were run for short hours, wages were reduced, factories were closed, bankruptcy overtook their proprietors, workmen were idle, prosperous industrial centers were converted into the abodes of idleness and aggregations of want, our specie was drawn from us in payment for foreign goods, our banks failed, and the credit of the Government was destroyed. The administration of Mr. Tyler sent an agent, General William Robinson, of Pennsylvania, to England to negotiate certain credits which Congress had authorized, but returning disheartened he reported to the Government that he had been unable to find a banker who was willing to take the responsibility of putting on the market an American loan for even so small a sum as $2,500,000. I need not moralize on these facts.

How were the Government and people rescued from their deplorable condition? A bankrupt law relieved enterprise from the debts which overwhelmed it, and the protective tariff of 1842 rekindled the fires in forge and furnace, and cheered the spinner and weaver with the music of the spindle and the loom. The same happy effects resulted from the protective tariff of 1842 which had been produced by those of 1824 and 1828. It unhappily lasted but four years. The election of 1844 restored the democratic party to power, and though it had carried the States of Pennsylvania and New Jersey by the cry of "Polk, Dallas, and the tariff of 1842," its first great congressional

work was to supplant the protective tariff of 1842 by Robert J. Walker's revenue tariff, now known as the tariff of 1846, which went into effect in 1847.

The decade which followed that year was a memorable one. It gave us the gold of California, of which, in less than ten years, we mined $1,100,000,000. It was during that decade that we gave Europe the first intimation of our ability to supply whatever deficiency in food might occur throughout the world. The potato rot decimated Ireland, affected the other British Islands, and spread to the Continent of Europe, and we exported in one year the then unprecedented amount of sixty-eight million dollars' worth of grain. The gold of California and the famine which prostrated the Irish people swelled the tide of immigration to unwonted numbers, and yet our people were not prosperous. We imported and consumed immense quantities of foreign goods, and as the quantity of these increased the demand for the labor of American workmen diminished. We imported coal for use in manufactories and the propulsion of locomotives. We imported rails to lay over our coal-fields and iron-beds. Wages fell to rates as low as they had been in 1820 and 1821, or in 1840 and 1841. The $1,100,000,000 of California gold had fled from us as from a pestilence. We had nothing to show for our unusual exports of grain and provisions.

The resources of the Government were shrinking monthly, and its credit was again destroyed; and in a little less than ten years from the going into effect of the revenue tariff of 1846 the entire banking system of the country collapsed, the first great institution to fail having been the Ohio Life and Trust Company, and the second the Philadelphia, Pennsylvania Bank. The application of the principles enunciated in the gentleman's resolution to the industries of a country of abounding prosperity had worked its inevitable result. The people were prostrated, idle, and discontented. The political and sectional agitation of the country was aggravated by the depressed condition of the people; and when the South determined to better its condition by war, their fellow-citizens of the North, to whom no field of enterprise or industry was open, said, "Be it so," and the war began.

I come now to my last illustration of the fact that it is not protection but free trade that works the direful influences portrayed by the gentleman. We have had twenty years of protection, during which we have grown in national importance as no nation ever grew; during which more has been done by art, science, and industry, to add to the dignity of our country and exalt it in the esteem of the world, to cement together its widely separated sections, and to secure prosperity alike to the individual citizen and the communities they constitute, than has been done in any other epoch of our history. It is true we had one period of depression during these twenty years. It

began in 1873. But, sir, it did not result from protection. The tariff laws that prevailed during that dark period had prevailed for years. Under those laws, too, came the revival of business, and under them we are enjoying the boundless prosperity of to-day. And I may add that the stagnation was more intense and protracted in free-trade England than in protective America. We must, therefore, look outside of the protective policy for the cause of that world-wide commercial and industrial depression. As gentlemen on this floor all know, I find its cause in the combined action of Germany and the United States in an attempt to demonetize silver, and in the persistent effort that was made to reduce the volume of American legal-tender paper money then in use to $300,000,000. In proof of the correctness of this conclusion, I cite the fact that from the time we restored the silver dollar to the list of our coins, Germany abandoned her sales of silver, and we prohibited the Treasury from canceling any more of the legal-tender Treasury notes, the downward tendency in commercial circles ceased, and a new era of prosperity set in.

The tenor of the gentleman's resolution would lead one to suppose that he regards the question of free trade and protection as involving the whole of social science, and yet he once alludes to the effect of a change in the value of money; it is thus shown that he has a perception of the fact that the power to expand or contract the volume of money to which the business of a nation or the world has adjusted itself has a relation to wages, to productive industry, and to commerce. The protective policy has been a potent factor in the promotion of the greatness of England, France, Germany, and the United States; but it has occurred in the history of all these nations, save France, whose monetary policy is the wisest and most stable of those of modern nations, that alternating contraction and inflation of the currency has not only influenced but absolutely controlled their productive power. An expanding currency had brought prices to the figures of 1872–'73. A contracting currency, resulting from the action of Germany on the silver question and our concurrent legislation, produced the world-wide commercial crisis of 1873, and was responsible for the depression that increased in severity until we repealed our unfortunate legislation and Germany abandoned her sales of silver.

But if the gentleman will have it that the question of protection and free trade is the controlling factor in industrial science, I beg him to compare the prosperity of the past twenty years, including the years of depression, with the condition of our people under the revenue tariff of Robert J. Walker. Here was one decade of free trade, and the two decades which succeeded it in which the protective system prevailed. A careful study of these two periods will show the gentleman that I have referred him to a brief chapter of his country's

history which will relieve him of all doubt as to the correctness of the aphorism that history is philosophy teaching by example.

DOES A PROTECTIVE TARIFF INCREASE WAGES?

The third proposition of the Hurd resolution is that a protective tariff does not increase the wages of workingmen. If this proposition be not an absurdity, there is no truth in the doctrine asserted, correctly, as I think, by all free-traders, that the price of commodities is controlled by the law of demand and supply. If a protective tariff leads to the increase and diversification of employment, it must increase the demand for and diminish the supply of labor. Not only do protective duties do this, but they often open the means of honorable subsistence to those who, having aptitude for delicate handicrafts, have not the physical strength and endurance required for the rough labor of the field or the workshop. The introduction of a new industry inevitably furnishes work and wages to men, women, or children thereby employed in extracting hitherto unused raw materials from the earth or gathering them from swamp or forest and converting them into things of use or beauty. To this extent it increases the demand for labor. Thus is the laborer strengthened in his demand for increase of wages.

My apology for detaining the committee by referring to these palpable truisms is that the gentleman's resolution is predicated on the assumption that they are false. Why are the laborers of the North generally so much more intelligent than those of the South? Why are they so much more comfortably housed, appareled, and fed? How account for that superior degree of self-respect and personal bearing which characterizes them? Sir, I affirm, without fear of intelligent contradiction, that the answer to all these questions is "because twenty consecutive years of the protective policy have so diversified the industries of the North that whatever special gift with which any may have been endowed finds ready employment, and commands wages according to its degree of value." How may the wages of labor be increased if it be not by increasing and diversifying the demand for it? Without a protective tariff the almost exclusive business of the American people would be the production of raw materials for exportation to foreign countries for fabrication.

Again, sir, diversified industries furnish employment for every day in the year, while persons engaged exclusively in agricultural pursuits cannot be continuously employed. To them the long winter, except as to the brief hours required to feed stock, is a waste. There is a season for planting, the seasons for tilling, and the harvest season. During these periods the farmer's duties are exacting, and his labor exhausting. But though he is necessarily idle much of the time while his fields are frozen, and during long spells of wet weather,

there is nothing in his vocation to call forth any special gift with which Providence may have endowed him. Contrast the monotonous life of an agricultural laborer with that of a keen artisan in a manufacturing town, where each person is in daily contact with others, and where emulation, whether it be in the pursuit of higher position in the factory, or aspiration to the ownership of a home or shop, or of distinction or profit as an inventor or operative more skilled than his fellows, gives zest to each day's life.

I affirm that the great industries alluded to, the production of steel, silk, and Bessemer rails, are the legitimate offspring of the protective system; and will the gentleman assert that the wages of the American laborer or mechanic would be better if these industries had not been developed in our midst? Will he look at the great iron and steel works in and around Terre Haute, Indiana, and say that the wages of labor or the value of farm land and farm products in Clay and the adjoining counties of that State would have been as high as they are had not the tariff protection of the last twenty years enabled the owners of the carboniferous deposits of those counties to find a near market for their, until then, unrecognized mineral treasures? Will he say that the wages of labor in Indiana, Michigan, and Missouri would be greater than they now are had not a protective tariff created such a demand for American iron and steel as to justify the carrying of the rich ores of the Marquette and Escanaba regions of Michigan and the Iron Mountain of Missouri to the coal-fields of Indiana for smelting and conversion into rails and a thousand other useful forms?

Has the employment of the thousands of men engaged in mining this ore and the coal and limestone with which to fuse it tended to the reduction of the wages of labor in what we of Philadelphia know as the Western States? Does the gentleman know that the long trains of heavily freighted cars that carry ore to Indiana to be smelted near her coal-fields return freighted with fuel from that region to the furnaces and forges of the iron regions of Michigan and Missouri, or will he assert that the construction of the railroads by which these raw materials are concentrated at the several points of conversion has tended to diminish wages? Sir, who will say that the absorption of an army of men by the railroad service has not enlarged the demand for, diminished the relative supply of, and thus enhanced the price of labor?

Again let me recommend the gentleman to hold a little free conversation with those gentlemen upon the floor of this House who represent the iron regions of Alabama and Georgia and learn from them whether every Bessemer rail mill in the Northern States is not a customer of those of his constituents who own what is believed to be the richest deposit of spiegeleisen-ore in the world. Here again the collateral value of established and diversified industries is shown in

the demand they create for increased means of transportation, and the proprietors of the railroads connecting the district of my friend from Alabama [Mr. FORNEY] with Illinois, Pennsylvania, New York, and New England will attest the value of the business afforded by the carrying of raw materials from the field of production in Alabama to the places of conversion.

Were our workshops on the other side of the Atlantic, as the party which favors a tariff for revenue only would have them, our transportation companies would carry little other freight than finished products, and the immense revenues they now derive from the carrying hither and thither of raw materials would be lost to the companies and the country. So, too, would the earnings of the thousand of locomotive builders, engineers, firemen, and laborers who are now at work for them. Sir, until the gentleman can show that the price of an article is depreciated by increasing the demand for it, he cannot demonstrate the truth of his assertion that a protective tariff does not increase the wages of workingmen.

PROTECTIVE TARIFFS PROMOTE THE INDEPENDENCE OF WOMEN.

In this country the services of men only are required in mining, smelting, constructing and operating railroads, and in kindred industries which have resulted from the protection our tariff laws have given to the producers of iron and steel. Happily the blessings conferred by the protective system are not confined to able-bodied or masculine laborers. There are among the women of America daughters who would gladly relieve their parents of their support, and contribute to the subsistence of the family. There are widows dependent on their own exertions, too often not for themselves alone, but for the support and education of their orphan children. There are orphan girls with younger brothers and sisters for whom they would gladly toil; and by giving infinite diversity to our productions, the protective system has provided employment, always honorable, and often highly remunerative, to these classes. In non-manufacturing countries they would all be dependent, or be driven to compete with men in the roughest, most severe, and least compensated fields of labor, as do British women and those of Belgium, Germany, and other continental States.

I have spoken of the beautiful city of Paterson as a creation of the silk tariff, and I recur to it to illustrate the important truth I am now pressing upon the attention of the committee. Having noted the extraordinary growth of Paterson, I some days since addressed a note to my friend the senior partner of the firm of William Strange & Co., ribbon manufacturers of that city, asking for definite information on certain points. His reply came promptly, and was as follows:

DEAR SIR: In reply to your questions, I would state that we have at present in

Paterson fifty-eight establishments engaged exclusively in the manufacture of silk in its various branches, four extensive silk-dyeing establishments, three silk finishing establishments, one harness and reed-maker establishment, and five card-stampers and designers. These employ in round numbers 12,500 operatives, at an annual cost in wages of $4,164,000; and the capital invested in mills and machinery amounts to between nine and ten millions of dollars.

In addition to the above, we have $125,000 invested in mills and machinery exclusively employed in the manufacture of silk machinery, bobbins, swifts, and other articles used in the production of silk goods. About seven hundred mechanics are employed in these branches of industry, at an annual expenditure in wages of about five hundred thousand dollars.

The population of Paterson, as per census of 1860, was 19,586; in 1870 it had increased to 33,579, and in 1880 to 50,950.

Among the direct benefits which have been conferred by the establishment of the silk industry upon our city, may be mentioned the universally-admitted fact that during the panic of 1873, when almost every other branch of industry was paralyzed, it continued to find remunerative employment for its operatives, and saved many others from starvation and despair who, for want of an outlet for their own labor in other branches, found themselves dependent for the means of subsistence upon the earnings of their wives and children, who were employed in the silk mills of Paterson. It has also been reasonably credited with protecting the general business interests of the city from the ruin which threatened it during that long period of distress and anxiety.

Paterson, however, has not been the only recipient of direct benefit from the energy and enterprise of her silk manufacturers, as may be instanced in the erection of important branch establishments by Dester, Lambert & Co., at Hawley, Pennsylvania, the Phœnix Manufacturing Company at Allendale, Pennsylvania, and the Myenberg at Hoboken, New Jersey, and others, which shows that notwithstanding the rapid growth of our city it has not kept up with the requirements and wonderful expansion of the silk industry.

One of the most commendable features of this industry to the community at large, *is the opportunity it affords for the employment of female labor, as evidenced by the fact that at least two-thirds of the work performed in our silk mills is executed by that class of operatives.*

Our productions are now equal in quality, and in many instances surpass those of foreign manufacture. We have even been complimented as well as injured by the adoption of our brands and trade-marks by our transatlantic competitors for the purpose of facilitating the sales of their fabrics.

These are but a few of the returns which have been made by the silk manufacturers of Paterson to their countrymen for the benefits which they have received from the adequate protection which Congress has conferred upon them.

Paterson is an old settlement, yet it will be seen that the census of 1860 found it with less than 20,000 inhabitants, while that of 1880 found it with very nearly 51,000. And, notwithstanding this remarkable growth, it has, as Mr. Strange tells us, offshoots at different points in Pennsylvania and New Jersey. I am confident the gentleman will not, in the face of these facts, have the temerity to assert that that which has created this demand for American labor, and opened such delicate and remunerative sources of employment to women, has not benefited the laboring classes, or that a tariff which works such effects does not increase the wages and improve the condition of working people.

But what has been the effect of the creation of this industry at Paterson upon the farmers of the neighborhood? To them these fifty thousand thrifty people look for spring vegetables, summer fruits, milk, butter, eggs, poultry, lamb, veal, and other articles, which, while they will not bear transportation to distant markets in such quantities as the small farmer can produce, give splendid remuneration for the care his wife and daughters bestow upon their production and preparation for market. Every such an industrial center that a protective tariff creates by developing and defending an industry is a boon to the farmer; and no class of our citizens share the benefits of a protective tariff more largely than farmers whose lands lie within a limited distance of a manufacturing town or city. They feel the effect of such a tariff, not only in the demand for articles which but for a near market would go to waste, but for those which they cultivate or raise specially for such markets; and, beyond this, in the enhanced price of the acres from which they derive an income, which ordinary farm products would not yield. But the point to which I wished to invite special attention in this connection is the manner in which a tariff that is broad enough to diversify our industries promotes the independence of women.

In the stump speech the gentleman appended to the proposition under consideration, he says "that in Germany, where there is a protective tariff, the wages are lower than in countries without a tariff or with a tariff for revenue only." Is this true? With all my respect for his general intelligence I cannot believe it. Can he tell whether wages in Germany are not as low as they now are because the empire, elated by its victory over France and seduced by the enormous war fine it collected, repealed the protection theretofore secured to its laborers by the Zollverein? Will he tell me what effect the demonetization of silver has had upon the price of German wages and commodities? Until he disposes of these questions he cannot charge that the protective tariff which was re-enacted in the autumn of 1879 brought the manufacturers of Germany into trouble and reduced the wages of their laborers to the rates now paid.

But, sir, let what cause or causes may have produced this unhappy result, I deny that wages are lower in Germany than they are in Ireland, Turkey, India, the South American States, or any other country which, being without a protective tariff, suffers under the curse of British free trade.

In this connection the gentleman also says that in England, since the policy of free trade has been adopted, the wages of laborers have been higher than when the system of protection prevailed. If this be true, which I deny, it would not prove that we should abandon the protective system, or that free trade would promote the interests of any class of our citizens. The situation of England is peculiar, and

contrasts with ours as diametrically as the situation and interests of two nations can. England is the only nation in the world whose manufacturers are dependent on a foreign market; while we cannot manufacture enough to supply the demands of our people. England cannot feed her own people. She looks to other countries for all forms of food that will bear transportation across the sea, and spends $10,000,000 annually on imported poultry and eggs. We, though we consume 90 per cent. of our farm products, can furnish her with adequate stores of wheat, corn, and rye; of beef, pork, mutton, cheese, green and dried fruits, and other elements of subsistence. Amply stored with coal, iron-ore, limestone, and salt, as she is, England is deficient in raw materials. For these she depends on foreign countries. Not so with us. Our stores of raw materials are unmeasured. The man does not live who can estimate their variety and extent. They embrace every element of manufactures which may be found in the temperate regions of the world. That which can be produced only in tropical regions, or like cryolite is found alone in the arctic regions, we must import, but all else we can produce. Foreign trade is essential to the life of England. She must sell in foreign countries manufactures enough to procure the means wherewith to purchase food and materials; hence she strives to cheapen commodities to such a point that in the markets of non-protected nations she may undersell the world. Low wages are to her a necessity. She cannot consider the condition of her working classes. If she cannot sell in foreign markets, she cannot give them employment, wages, or food. Not so with us. Were the oceans that separate us from other lands oceans of flame, the American people could live in the enjoyment of all the essential comforts of life they now enjoy. None of them would suffer for the want of food or raiment or of homes so well appointed as to supply not only the wants of the inmates but to gratify their desires and æsthetic tastes. Yes, sir, after a score of years of liberal protection our manufactures have been so developed and our love of the beautiful so trained and disciplined that while England, were her coasts surrounded by hostile fleets, might starve, we, under similar circumstances, could go on prospering and to prosper.

The economic laws demanded by England's necessities are not applicable to our case. Our working people are a part of the body-politic. Into the hands of their children will soon pass the destinies of our country, and we must see to it that our industrial system is so ordered that the sentiment of home and family shall be cherished by every citizen; that schools shall be opened for the children of the whole nation, and that parents, while toiling to give them the benefits of school and church, may still be able to lay up from year to year that which will protect them in age from dependence upon the public or their children. I will not wrangle with the gentleman over the

scale of British wages, or of the work demanded from the British laborer, but will beg him to consider the following sketch of an English blacksmith which I found in the recent letter of a regular correspondent of the London Daily Telegraph. It is an interview with a woman blacksmith, whose lot is such as God forbid that any American mother may ever be doomed to endure. Yet her lot does not appear to be the hardest among English wives. She is a nail-maker, and pronounced her trade "almost as bad as chain-making." My friend will perceive that in justification of her assertion that her lot was not the hardest known to English workingwomen she advised the correspondent to visit Cradley and learn by observation whether the lot of the English wives and mothers who were engaged in chain-making was not more deplorable than hers. But let her speak for herself and tell the gentleman something about the adequacy of the wages laborers receive in free-trade England:

A WOMAN BLACKSMITH—ONE OF THE SIGHTS OF THE BLACK COUNTRY OF ENGLAND

At one forge later on, between nine and ten o'clock in fact, I discovered a female nailer working under disadvantages that might have daunted an anchor smith. Whether she had a husband whose absence was accounted for by his being addicted to beer-shop fogging, or whether she had no husband, I did not ask her, and she did not tell me. Anyhow, she was working alone, and she spoke of having "all these brats" to provide for, as though the whole responsibility rested on her poor narrow shoulders, the bones of which were so sharp that they threatened to cut through the flimsy material that covered them every time she tugged at the heavy bellows. There were four little children, the oldest about seven, the youngest a baby in "long clothes"—in a calico bed-gown, in fact, and nothing else. This solitary article of raiment had once been white, but was now approaching the complexion of a coal-sack.

The two children who came between the eldest and the youngest were disporting in the ashes, and pummeling each other's awfully dirty little bodies in a fierce struggle for the mangled remains of a wooden doll. There was only its carcass left, and its hair was singed off its head, and the paint on its face all scorched and blistered; but the two infant nailers could not have fought for it more ferociously had it been the choicest prize in Mr. Cremer's collection. The other two children—the oldest and the youngest, the former acting the part of nurse to the latter—were deposited in a kind of wooden cradle, that shared with a bellows the hearth where the fire was. The baby was shrieking, and the boy was shouting out a hymn in a vain endeavor to quiet it.

One way and another, the mother, poor soul—she was quite a young woman—seemed well-nigh distracted as she banged away at her work, bent seemingly on getting some set task done; the perspiration streamed down her face as though she was crying. She stuck to her work, however, and kept the sparks flying—showers of them besprinkled the occupants of the cradle, but without producing the least effect on those young salamanders—until a shriller shriek than hitherto caused the woman to throw down her hammer and take the child on her lap as she sat down on the nose of the anvil.

"Hard work?"

"It is just that, master," she remarked, in reply to an observation of mine, "and often I wish I was in heaven, and out of it all, 'pon my soul and body, I do; I raley get so sick of it!"

And as she took the sooty handkerchief from her head and wiped her wet face with it, a milder form of asseveration would have satisfied me of the probability of the change suggested being to her advantage. It was in vain she tried to pacify the squalling child at her lean bosom.

"Hush, then, and mammy'll spare a penny for half a pint of beer presently, and then, perhaps, she'll tuckle down a bit," said the poor soul, as protesting against the mockery offered it, the little rebel stiffened itself out and refused either to unbend or leave off shrieking.

"Haven't I got no help in working for 'em all? No, master, I've got no help. How much can I earn? Well, it's right-down slavery to earn a penny an hour at it. More often, especially when this young un o'mine is cross—it isn't more than ninepence for the whole day. No; we don't live quite on that, sir; I'm 'lowanced two loaves a week, but it's nigh on four miles to fetch 'em, so I don't know, reckoning the loss of time, that I'm much richer after all. I'm sure I don't know what's coming to the work, and the price they're giving for it. It's almost as bad as chain-making."

"Is that worse than nail-making?"

"For the women it is. Just you go to Cradley and ask 'em."

It was too late to follow her advice that night, but I did so next day.

DOES A PROTECTIVE TARIFF TAX ONE CITIZEN FOR THE BENEFIT OF ANOTHER?

We come now to the gentleman's fourth proposition, which is as follows:

A protective tariff builds up one citizen at the expense of another, for every dollar of additional price protection enables the manufacturer to charge must be paid by another citizen.

I do not doubt that the gentleman really believes this proposition. He was so taught at college. The authors of the text-books he then used affirm the proposition as confidently as he does; and it is evident that he has never consulted the writings of his great countrymen, Stephen Colwell and Henry C. Carey. Yet, if it be true, what becomes of the averments the gentleman made in support of his second proposition, that a tariff for protection results in overproduction, overstocking of the market, and low prices? In support of that proposition he tells us that the further effect of a protective tariff is embarrassment to the proprietor to the extent, in many instances, of final bankruptcy and to the ruin of the workingmen employed in protected factories, and all this because such a tariff reduces prices. Surely they who by overstocking the market reduce prices to such points as to involve themselves and their workingmen in ruin cannot be burdening with additional price the consumers of their productions. The gentleman's second and fourth propositions will not stand together; indeed, they flatly contradict each other; and yet I cannot ask him to choose between them, as each is in itself essentially false. He is one of the best lawyers in this House, and as a lawyer will not withhold homage from the learning, powers of investigation, painstaking industry, and cool judgment of Sir John Byles, author of Byles on Bills, and for many years a justice of the court of common pleas of England. This profound thinker and distinguished jurist devoted himself not to juris-

prudence alone. Political economy has been one of his favorite studies, and it is nearly half a century since, in endeavoring to stay the free-trade fanaticism of Britain, he published a volume under the title of Sophisms of Free Trade and Popular Political Economy. The ninth revised British edition of this volume now before me appeared in 1870. Through how many editions it may have gone in the mean time in that country I do not know, nor can I tell how many our countryman, Henry Carey Baird, has published; but this I do know, that for many years the book has been widely read in this country. I propose to draw from it my exposition of the absurdity of the proposition we are now considering. The gentleman from Ohio submits it as a principle which should govern the American Congress. Sir John Byles presents it as a sophism which should be exposed, because its acceptance by any nation would be destructive of its best interests:

Chapter XXVII.

Don't tax the nation for the benefit of a producing class. Take care of the consumer and let the producer take care of himself.

The maxims of our ancient and successful policy were very different.

A nation, whether it consume its own products or with them purchase from abroad, can have no more value than it produces. The supreme policy of every nation, therefore, is to develop the producing forces of its own country. What are they? The workingmen, the land, the mines, the machinery, the water-power, &c.

Our fathers said: "Whatsoever you do, be sure you take care to develop the producing forces of your own country. The gain of doing this will be so immense that it will present the nation with an ample fund, not only sufficient to pay the tax on consumers of which you complain, but after having paid it still superabounding and leaving in the hands of the nation for its own spending a surplus ten times as great as that tax. Nay, the very tax itself will in most cases soon disappear; for the development of your own producing power will not only, at first and at once, bring plenty and riches, but in the end will bring a steady cheapness too, and along with that cheapness the powers of purchasing. It will add accessibility to cheapness."

So reasoned Cromwell, Lord Chatham, Sir Robert Walpole, Edmund Burke, Peter the Great, Colbert, Napoleon. So at this day reason France, Belgium, Russia, Germany, America, and, unfortunate for us, Canada and Australia, too.

Our fathers and we, the children, must, however, both cordially agree in this: The more a nation produces the richer it is.

Indeed, this seems a self-evident proposition. Without production of value you can neither consume nor buy. *Ex nihilo nihil fit.* Every increase of domestic production is an addition of so much wealth and so much of the means of purchase; any diminution of domestic production is a subtraction of so much wealth and of so much of the means of purchase.

We, the children, however, now seem unconsciously to assume that the amount of production in a country (the land, the men, and the actual property remaining the same) is an unvarying quantity. But the fathers thought that (the land, the men, and the actual property of a country remaining the same) that country will produce infinitely more, or infinitely less, according as certain regulations, favorable to domestic production and internal exchange, are present or absent.

Produce within your own dominions what you formerly imported from abroad, and

your land, labor, and capital produce what they otherwise would not have produced. They still produce the articles which might have been used to purchase the new domestic product just as much as they did before. But, over and above this, they now produce the whole value of the new domestic product. Tried by the rule that the more a nation produces the richer it is, you are now the richer. You have now developed a new producing power of the country, which otherwise, instead of being developed, would have been stifled and smothered by foreign imports perhaps a little cheaper. By a sacrifice, it may be of 1 per cent., not the producers but the nation have gained the other 99. To pay your tax of one pound you are presented with a new and additional net income of a hundred pounds; and what you have done other nations may also do. The producing power of all the earth may thus be effectually developed, and yet, as we have seen in chapters VI and X, ample scope be everywhere left for foreign trade and international exchanges.

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* * * But the children are not yet silent. They say, "It is the producers that gain, while the consumers lose." Again the fathers rejoin, "You are wrong in marshaling the nation into two hostile camps of producers and consumers. Not only is every producer a consumer who is not either a producer or else, living entirely out of the income of a producer, standing or falling with him." Laborers, farmers, manufacturers are all clearly producers. The landlords derive all their rent from the revenue of producers; so, of course, do the mortgagees, to whom they pay interest. The professional man is ultimately paid by producers; so is the fundholder himself and the public servant, too. Find, if you can, a living man who is not either a producer or maintained by a producer. Whatever, therefore, furthers the interest of producers not only benefits them, but also augments the common fund from which every consumer derives his income; and, on the other hand, whatever ruins or injures producers ruins or injures the common fund on which all consumers depend. * * * Reflect, and you will find that the wise and really gainful policy is not that which prematurely grasps anyhow at cheapness, but that which develops the producing power of the country. Our fathers, therefore, were right and we are wrong. They knew how to grow rich nationally as well as individually. We have seen how their theory has everywhere been justified by experience in time past here and elsewhere. It is still justified in America, in France, in Germany, in Russia.

DOES PROTECTION CONTRAVENE THE LAW OF SUPPLY AND DEMAND?

Leaving the gentleman to reconcile the contradictions involved in his second and fourth propositions, and to reply to the argument of Sir John Byles, I pass to the fifth proposition of his resolution, which is as follows:

A protective tariff disturbs the operation of the primal law of trade which governs all exchanges by the supply and demand of the articles to be exchanged.

To this assertion I offer a flat denial. It is not true. History contradicts it—our own history and that of other nations. England will not permit an unprotected people to enjoy free trade between themselves even in domestic productions, or to manufacture their own raw materials. Had the Congress of 1812–'14 enacted a tariff adequately protective of the industries which the war was calling into existence, Parliament would have appealed in vain through Henry Brougham to the British manufacturers to incur a loss upon the first exportation and thus by a glut to stifle those industries in the cradle.

Such a protective tariff instead of disturbing would have maintained the primal laws of trade, and enabled the American people to proceed in the work of developing the producing forces of their country, and to thus create a capital with which they might soon under the law of supply and demand enter freely into the exchanges of the world. This appeal of Brougham's and the quick and effective response made to it by the capitalists of Great Britain, were not exceptional facts. This course of enslaving younger and poorer nations, preventing the development of their resources, destroying the freedom of their trade, is part of the established policy of British capitalists, and has at all times had the sanction of that oppressor of mankind, the British Government. This policy is not only applied to strictly foreign nations but British colonies, which carry the English language, laws, and habits to remote points, and build up great communities, are subjected to it, and, but for protective tariffs, would be its victims as absolutely as are Ireland, India, Turkey, Egypt, the South American States, and Japan.

In this connection I commend to the attention of the gentleman from Ohio a little work now before me, entitled Outlines of an Industrial Science, by David Syme. Mr. Syme is an Englishman who emigrated many years ago to Australia. Editing a leading journal of the colony, he has been a frequent and thoughtful contributor to the periodical literature of England. It was in one of the great magazines of London that I first met his name. Many of his essays have been reproduced in this country, and the edition of his book now before me bears the imprint of Henry Carey Baird & Co., Philadelphia. He went to Australia a believer in the assumptions upon which free-traders base their theories, but the necessities of his new country soon demonstrated to him that the only way to make her trade free was to protect her producers by an adequate system of duties against the unfair use of British capital in the strangling of its infant industries by the production of gluts in Australian markets. I prefer that he shall answer this proposition of the gentleman to attempting a reply in language of my own. When discussing the question of competition as a means of securing freedom of trade, Mr. Syme says:

> Even England, notwithstanding her free-trade proclivities, indirectly does all that she can to prevent any real competition with her on the part of other countries, and to this end her immense resources are used with crushing effect. At present she practically enjoys a monopoly of many lucrative branches of manufacture. With her natural advantages in coal and iron, with her acquired advantages of being the first in the field, and of having a numerous body of well-trained artisans, and, above all, of the immense capital at her disposal, she would be able to maintain her manufacturing supremacy as long as the rate of wages is not materially increased. Her only danger lies in this direction. "Dear labor," says Mr. Brassey, in Work and Wages, "is the greatest obstacle to the extension of British trade." Hence the extreme solicitude displayed by the trading classes of England at the

present day on the question of wages; hence, also, the growing antagonism which has sprung up of late years between them and the wages-earning class.

The manner in which English capital is used to maintain England's manufacturing supremacy is well understood abroad. In any quarter of the globe where a competitor shows himself who is likely to interfere with her monopoly, immediately the capital of her manufacturers is massed in that particular quarter, and goods are exported in large quantities and sold at such prices that outside competition is effectually crushed out. English manufacturers have been known to export goods to a distant market and sell them under cost price for years with a view to getting the market into their own hands again. The *modus operandi* is incidentally explained with much *naïveté* in a report published some years ago by order of the House of Commons. "The laboring classes generally," says the author of this report, "in the manufacturing districts of this country, and especially in the iron and coal districts, are very little aware of the extent to which they are often indebted for their being employed at all to the immense losses which their employers voluntarily incur in bad times in order to destroy foreign competition and to gain and keep possession of foreign markets. Authentic instances are well known of employers having in such times carried on their works at a loss amounting in the aggregate to three or four hundred thousand pounds in the course of three or four years. If the efforts of those who encourage the combinations to restrict the amount of labor and to produce strikes were to be successful for any length of time, the great accumulations of capital could not then be made *which enable a few of the most wealthy capitalists to overwhelm all foreign competition* in times of great depression, and thus to clear the way for the whole trade to step in when prices revive and to carry on a great business before foreign capital can again accumulate to such an extent as to be able to establish a competition in prices with any chance of success. The large capitals of this country are the great instruments of warfare (if the expression may be allowed) against the competing capital of foreign countries, and are the most essential instruments now remaining by which our manufacturing supremacy can be maintained."

"This," adds Mr. Syme, "I have no doubt is a very fair, as it is certainly a very candid statement of the manner in which English capital is used to crush out foreign competition." The report from which he made this extract was that of the parliamentary commission appointed in 1854 to examine into the state of the population of the mining districts.

Yes, Mr. Chairman, that commission uttered the truth when it declared that the large capitals of England are the great instruments of warfare by which the competition of foreign countries is crushed by British monopolists; and the nation which would secure to its people the right to develop its resources and trade freely among themselves can do so only by giving them the benefit of rates of duty which will in seasons of commercial depression adequately protect them against the warfare of banded monopolists acting under the sanction of the British Government.

The Morrill tariff gave this mode of warfare its first real American repulse. Its supplements have driven the conspiring invaders from our borders. But these British monopolists do not abandon the hope of destroying their American rivals. They have adopted new methods and

now employ the pen and professorial office. They hope to persuade us to surrender. Under the name of the Cobden Club they have an organization which embraces in its membership more than two hundred members of Parliament and twelve of the fourteen members of the present British Government. This club, composed as it is so largely of members of the British Government and their parliamentary supporters, has assumed the duty of teaching the American people political economy and entered without concealment into our last political campaign. In a letter prepared by Mr. Augustus Mongredien, which it circulated in this country at its own cost and under its official stamp, it appealed to the farmers of the United States to pledge themselves in advance to unite with the gentleman from Ohio, his party, and the banded capitalists of England in making war upon the industries of the United States and the wages of the laborers they employ. Said this impudent intermeddler in our domestic politics, after attempting by falsehood and misrepresentation to incense the farmers against the manufacturers of our country, "every farmer should hold this language to the candidates for Congress:"

> I will only vote for you if you will vote for me, and voting for me means voting in the House for a reduction of 5 per cent. every successive year on the import duties *until the whole are abolished.*

Sir, I am a protectionist because I am an American. I am for maintaining the independence of my country and the welfare of my countrymen against all comers. I would protect them against the insidious arts of combined capital at the same cost, if need be, that I would against a foreign army or navy. But happily they may be defended without cost by the imposition of such duties on foreign imports as will insure the development of the producing forces of the country, "the men, the lands, the machinery, and the water power." This peaceful defense will, if maintained, enrich the nation and improve the condition of all its people, by giving them the advantage of "cheapness and accessibility." It is, I reiterate, not true that a protective tariff disturbs the operation of the primal laws of trade. Such a tariff is, in view of the enormous capital of England, and the oppressive manner in which it is combined and used, the only means of securing to the American people the benefit of the primal laws of trade.

IMMIGRATION—ITS SOURCES AND VALUE.

Before passing from the consideration of this point, let me say that the leading position in the family of nations which our country has so suddenly assumed, is due more largely to our adherence to the protective policy during the last twenty years than to any other single cause. By enabling us to diversify our industries this policy has offered occupation and wages to skilled men in a thousand employments unknown to us prior to 1860. By enabling us to offer more liberal wages

than any of our competitors, it has invited a stream of immigration the magnitude of which is alarming the governments of the manufacturing nations of the world. Canada invites British immigrants. The British Government, anxious to build up its American dominion, promotes British migration to Canada; but Canada adhered to the policy of free trade until quite recently; consequently she cannot offer work and wages to skilled hands. Some two years ago she professed to adopt the system of protection, and fashioned a tariff, the object of which appears to be not so much to develop her resources as to exclude American productions, when they might compete with those of the British Islands; but despite the efforts of her government and that of England, she cannot induce skilled workmen to remain within her limits.

During the last six months of the year just passed we received more than 278,000 immigrants, aliens who came to make this country their permanent residence. From Canada came 73,000, not on a sudden impulse, but as part of a steady flow of immigration thence to this country. Germany, too, gave us more than 73,000 of her subjects, skilled, many of them, in agriculture, and many of them in the mechanic arts. From among the farmers and skilled workingmen of England and Wales came nearly thirty-five thousand, while poor, down-trodden, and oppressed Ireland, impoverished as her people are, was able to pay the passage of nearly thirty thousand of her children. From Scotland came 7,000, while other countries, including Austria, Sweden, France, and Switzerland sent us nearly sixty thousand.

If our protective tariff is an oppressive wrong, why do people come in such hordes to bear its burdens and endure its wrongs? If free trade be a blessing, why do Englishmen, Welshmen, Scotchmen, and Irishmen fly by tens of thousands from its blessings to bear the curse of American protection? Like the gentleman from Ohio, they have all heard the teachings of the Cobden Club and other free-trade organs of England; but unlike him, they have open eyes, they see the poverty and ignorance to which British free trade dooms her working people, and contrast their own condition with that of those of their countrymen who have preceded them as immigrants. These they learn are well fed, able to eat meat every day in the week and every week in the year; are well clothed, living in communities in which the foreign observer, on Sunday or other holiday, cannot, as was so often remarked by international visitors during the centennial year, distinguish between the laboring and the capital class by the apparel they wear or their bearing in public. "Where are your working people?" was a question pressed by thousands of intelligent observers during that year. They could not comprehend the fact that the working classes of a country could live in such homes as were

indicated as those of the working classes of Philadelphia, or wear such apparel as did the thousands of workmen they met daily in the great halls and upon the grounds of the exhibition. This contrast which my friend from Ohio has not perceived is known in every cabin on the British Islands and every hamlet on the continent, and stimulates the immigration which is adding so vastly to our power and wealth.

But the gentleman may ask, "Does immigration add to our wealth?" I will not stop to reason the point with him, but will draw my reply from a recent number of the Pall Mall Gazette. In the course of an article under the title "Loss by Immigration," that journal says:

> Immigration, no doubt, is a national safety-valve; but to insist that wholesale immigration of the population is the sole remedy for Ireland's ills is not statesmanship, but suicide. It is not empty sentimentalism, but rather the coarsest materialism, which justifies the protest against removing discontent by exiling the population. Every immigrant represents a money value, so many pounds sterling, which in New York is estimated at £200. Dr. Engel, head of the Prussian statistical bureau, calculated fifteen years ago that it cost Germany over £100 to bring up a member of the lower classes to the age of fifteen. Dr. Fabri, in his work on colonization, places the cost at £150, every penny of which is spent before the citizen becomes a producer instead of a consumer of wealth. He estimates the average net loss to Germany on every immigrant who leaves her shores at £100 sterling, and it is found that the average capital brought over by each German immigrant who lands at New York is over £20. It is, therefore, a low estimate to reckon the net loss to Ireland by every immigrant unnecessarily forced beyond the sea at £100. Why should it be "patriotic" to make the States a present of that sum, and "sentimentalism" to employ a smaller sum in converting the peasant into a contented landed proprietor at home?

WHAT SHIP-BUILDERS SAY.

Is the gentleman's sixth proposition more tenable than any of those that precede it? It is as follows:

> The present protective tariff has driven the American carrying trade from the high seas by enhancing the price of materials which enter into the construction of vessels so that American ship-builders cannot compete with foreigners engaged in the same business.

Again, the gentleman is at fault in fact and inference. The appearance upon the ocean of the British privateers for whose destruction of our commerce the Geneva convention gave us a judgment, which the British Government accepted without demur and satisfied, antedated the protective duties to which the gentleman ascribes the driving of our carrying trade from the seas. Under the baneful influence of those privateers our carrying trade had disappeared long before the war closed, in June, 1865; while most of the duties now imposed by the several supplements to the Morrill bill of which the gentleman complains have been enacted since the date of that event. The duties which now foster sheep husbandry (so profitable to farmers) and the manufacture of woolen and worsted goods, Bessemer steel and rails, and other leading staples, were passed after the de-

struction of our carrying trade. I need not, however, elaborate this point. There is not a builder of iron vessels in the United States who does not stand ready to refute this proposition of the gentleman. The extensive yards of William Cramp's Sons are crowded with iron ships which the firm are building on contract for those who are to use several of them in foreign trade; and when, more than nine years ago, an attempt was made to reduce the duties which gave protection to the manufacturers of iron, that firm hastened to send a protest against such reduction, of which the following is a copy:

PHILADELPHIA, PENNSYLVANIA, *January* 13, 1872.

DEAR SIR: Inasmuch as strenuous efforts are to be made during the present session of Congress to repeal the duties on ship-building materials, on the plea that it will aid American ship-builders and assist in building up our mercantile marine, and, knowing that false impressions are prevalent in regard to this department of industry, we beg leave to call your attention to a few important facts, and to show that such action would not be beneficial but detrimental to our interests.

If any benefits could be derived from the repeal of duties on ship-building material, it would be chiefly in the construction of wooden ships. But steam is rapidly and permanently supplanting sails, and this in turn necessitates the change from wood to iron; for steamships, to be profitable and safe, must be constructed of iron.

Few persons are aware of the fact that it is absurd to talk of building iron ships in this country of imported iron, for this cannot be done. One reason is that nearly every piece of iron entering into their construction must be made to special order; and this fact, together with the necessity of rapid delivery, demands that the iron mills should be near the ship-yards. And it is plain to every practical ship-builder that if ships are to be constructed of foreign materials they will be constructed in foreign lands.

We now have in our own yards five first-class iron steamships in process of construction, with an aggregate tonnage of 13,000 tons, which will require for their construction 16,000,000 pounds of iron, and the ships, when completed, will cost $2,500,000; and yet the repeal of all the duties would not benefit us to the amount of $10,000.

While the repeal of the duties would scarcely afford even a temporary gain, it would, on the contrary, inflict upon us a permanent loss, by probably closing all the furnaces and mills to which we must look for our supplies.

The efforts of free-traders to secure free materials are evidently only preliminary to the more dangerous purpose of securing free foreign ships, of which England has a surplus of hundreds, of both wood and iron, which she would gladly sell at any price to get possession of our coasting trade.

The idle ship-yards in this country are those devoted to building wooden ships. There are six yards for building iron vessels in Philadelphia and vicinity, all of which are full of work. We think there are in process of construction sixteen iron steamers, seven of which range from 2,500 to 3,000 tons each.

Having been engaged thirty-five years in the construction of ships of every class, we feel competent to speak as to our own needs; and we are sure that we speak the sentiments of all engaged in ship-building when we ask that Congress shall not disturb the moderate protection afforded our iron manufacturers, but rather let well enough alone, and adhere to the policy which, by multiplying furnaces and rolling-mills, will furnish us a constant supply of materials, cheap and abundant.

W. CRAMP & SONS,
Wood and Iron Ship-builders.

Hon. WILLIAM D. KELLEY.

The then venerable head of the firm has meanwhile paid the debt of nature, but his united sons continue the business and adhere to the opinions expressed in this letter.

John Roach is the largest builder of ships in the United States, and when recently examined by a sub-committee of the Senate Committee on Finance, he stated that he carried more tonnage on the seas than was held by the entire membership of the Chamber of Commerce of New York. He therefore addressed the committee more as a ship-owner than as a ship-builder. In the course of his examination he invited the members of the sub-committee to consider a letter he had on the 1st of January last addressed to each member of the whole committee. I beg leave to invite the attention of the gentleman to the following extract from this letter, which, with that from the Messrs. Cramp, will, I think, convince him that the ship-builders of this country regard his labors in their behalf as superserviceable and misdirected.

Mr. Roach had previously sent to the members of the committee a pamphlet and an address containing a thorough discussion of the whole subject, to which references are made in the course of the extract, and of which I have no doubt he would furnish copies to intelligent investigators of this subject:

I mail you herewith, at the request of your committee, a copy of my pamphlet on the American Carrying Trade, also a copy of an address delivered by me before the convention of ship-owning and other commercial bodies for the encouragement of the ocean commerce of the United States, held at Boston last October, and some other documents, which I hope you will find of interest.

The chief thing to be borne in mind in considering this question is, that it is a great national interest, both as a cheap means of defense and of carrying our products. It should be dealt with in the broadest and largest spirit. The policy that is adopted must not be narrow or sectional, but national, broad, and liberal enough to cover the whole country and conserve its best interests.

I desire here to call your attention to certain portions of the pamphlet and address which I think deserve to be emphasized as worthy your special consideration.

The advocates of free ships claim three things as necessary to revive our ocean carrying trade: 1. The repeal of the navigation laws. 2. Free material in everything that enters into the construction of a ship. 3. The right to buy ships in the cheapest market. The lack of this right is set down as one cause of our decline as carriers.

The first claim you will find treated on pages 9, 24, 25, 29, 31 to 35, inclusive, of the pamphlet, and on pages 15, 16, 23 of the address. The second claim is discussed on pages 30 and 31 of the pamphlet, beginning at III. The third claim is discussed on pages 21, 22, 26, 27, 28, and 63 of the pamphlet, and on pages 3, 4, 9 to 14, inclusive, and 20 of the address.

It is certainly a most significant fact that in the discussion of this question the free-ship advocates confine themselves so closely to the one point of original cost, persistently overlooking all the real obstacles in the way of our becoming again a ship-building and ship-owning country. These obstacles I have endeavored to make clear. I claim that we have certain great natural advantages for the construction of the ship at home. Our natural resources in coal and iron and timber, the materials of which the ship is built, are superior to those of any other country. As to the value and necessity of building our own ships if we hope to own them, I call

your attention to the pamphlet, pages 40, 41; address, page 13, (showing the result upon France of buying free ships, though she had every advantage of cheap capital and cheap labor to run them.) As to the national and economic reasons why we should have a powerful merchant marine, see pamphlet, pages 45 to 53, inclusive; address, 22, 23, and 32.

But perhaps the most important point of all, and one that enters as a vital factor into this question, is that of protecting American labor and furnishing it employment by the fostering and encouragement of American industries. The elevation of labor is the policy on which our Government was founded. The issues of the future will be on the labor question. The interests of labor cannot safely be overlooked or trifled with, and our policy with reference to all great national questions must be shaped in accordance with the fundamental idea of our Government. The workmen of this country will demand by their votes the development of our resources by the competition of our own labor and capital. And that brings us to the original cost of the ship, which the free-ship advocates say is the vital point. Why can we not build ships as cheap as England can? Because 90 per cent. of the ship is labor, and American labor costs more than English labor. Because our workingmen cannot be ground down as European workingmen are. Two things confront us: to reduce the wages of labor to what they are in Europe, (see comparison on page 67 of the pamphlet,) or to leave our forests and mines with their wealth undeveloped and thousands of workmen without employment. Have we not in our own country most convincing evidences of the effect of such a policy? Look at the South, with her forests, her coal and iron beds, and every advantage; yet she refused to adopt a policy of home development such as other sections pursued, and is only now awakening to the consequences of such a course.

On page 73 and following, you will find some facts on another pressing subject—the opening of new markets for our rapidly increasing surplus products; also the instructive history of some efforts made in that direction. See also pages 24 and following of the address.

In regard to the facts as to oppressive taxation (pages 26, 27, pamphlet, and pages 11 and 12 of the address,) it may be claimed that this is a local tax of New York. So it is, but it is a tax that affects something like three-fourths of our entire shipping in the foreign trade; and I believe there are local taxes also at the other principal ports. This whole matter should be regulated and protected by a national law, placing our foreign shipping on equal terms in all ports and giving it all the advantages possessed by foreign ships entering our harbors.

When it is said that we cannot build the ship as cheap as other nations, I ask your attention to what we have done with the locomotive, (as shown on pages 18 and 19 of the address.) This proves what we can do with a fair chance and wise encouragement. And the same thing can be done in the case of the ship as has been done in the case of the locomotive. For what we have done in iron shipbuilding, indeed, against every kind of obstacle, see pages 54 and 55 of the pamphlet. We need more ships than any other nation, since we have more surplus products to carry than any other. We have superior resources, the most skilled and energetic workmen, the best seamen in the world. Can there be any good reason why we should not build and own the ships in which our products are carried?

In view of the vast freighting business whose profits we may and should secure to our own people, in view of the great national advantages accruing from both the building and owning of ships and the extension of our commerce by means of them, can we afford to be and remain dependent for our ships or carrying upon a foreign nation? On this point see pages 6 and 7 of the pamphlet.

As you are doubtless well aware, for fifteen years this subject has been pressed upon Congress by the free-ship advocates, yet they have never brought forward any

argument but that of first cost, never anything that would not make us dependent upon a foreign country—that country always being England, the only one that can build iron ships or supply us with the raw material. Why was this? It could not be that they were ignorant of the many obstacles which I have pointed out. Was it because they did not want to make them known, as that would not serve their interest? If buying cheap ships is all we want, why are not France and Germany great carrying and ship-owning nations? They have the right to buy ships where they can buy them the cheapest. On this point, see pamphlet, pages 40, 41; address, page 13.

England has always recognized that only a ship-building nation can be a ship-owning nation to any extent. In 1840, when she was losing her carrying trade because we could build the cheapest, fastest clipper-ships, she began to develop the iron ship that she might supply her own wants. And to develop the iron ship, which cost her double what she paid us for a wooden ship, she has paid since 1840, call it subsidy or what you will, over two hundred million dollars. With one hand, by her wise and generous policy, she paid out this vast sum to her own merchants and people, while with the other she gathered a thousandfold from our Treasury. So when the civil war came upon us and gave her an advantage, with her large capital invested, she was able to drive us from the sea. There is a lesson for us in this policy which she has pursued with such results. The free-ship advocate will say that part of that policy was in buying where she could buy ships cheapest; but she never bought any iron ships; her policy was to encourage the building of them at home, until like ourselves with the locomotive, she could build them cheaper than any other nation. What was the meaning of the outcry that has been of late months, and joined in equally by both parties, about the Chinese? What is the objection to cheap labor? Simply that it is cheap, and that its employment must result either in lowering the wages of American workingmen or taking their work from them. And no party would be likely to advocate such a course as that. Yet I sincerely believe that even Chinese labor, bad as it would be for American workmen, would not be so bad for them and the country as free trade. Since it would at least be better to have the labor done in our own country and the money kept at home, and our own resources developed than to buy the products of cheap labor abroad, draining our Treasury of its gold and sending it to circulate among foreign workingmen, and pay taxes for the support of a foreign government each year $10,000,000.

We do not want either alternative, and we need not accept it. While it would undoubtedly be better for us to build ships in our own yards even by Chinese cheap labor than to buy them in China or England, or any other foreign market, we do not want to do either. If there is any principle at all in this labor problem, if there be any justice in this outcry against the Chinese, there certainly is as much justice in claiming protection for that labor which makes up 90 per cent. of the ship's cost.

While free trade would introduce a ruinous competition with American labor, yet when the European workingman comes to make his home here his labor produces no such result, and he is welcome to all our advantages. That proves the value and difference of having the work done in our own country in order that its advantages may be secured by ourselves. Create a demand for the ship by removing the obstacles and placing us on equal terms with the shipping of other nations engaged in the foreign trade by pursuing a wise policy such as England has pursued, and there will be no trouble about the original cost. It is now only 15 per cent., though we have but begun the development of our iron ship-building interest. In a short time we should be able to compete with foreign builders on equal terms.

The point of economic national defense is also an important one. The policy of our Government has been opposed to a large standing army. Importance has attached, therefore, to the maintenance of an efficient citizen soldiery.

The statesmen who passed the navigation laws recognized the great extent of our coasts, and framed those laws so that by holding American-built ships in allegiance to our flag we might have a militia on the sea, ready and equipped at all times to be called into Government service, yet costing the nation nothing in time of peace. And I may say that the one hundred iron steamships built in this country since 1870, manned as they are by as able officers, engineers, and sailors as any in the world, would be worth more to the Government in the event of a war than our Navy. Should we destroy the power that creates all this? Repeal our navigation laws, if you will, but mark the consequence. In case you get into a foreign war, this fleet can hoist a foreign flag, leave you, go where it can earn the most money, free itself from American taxation, and then return when the war is over.

What a merchant marine this would be in such an exigency. The whole question resolves itself into this, whether this country, with more goods to carry, with more need of ships, with more raw material to use, with better natural advantages, with more skilled labor and better energy, and with more coast to defend than any other, shall be independent and build its own ships, thus encouraging all its industries and protecting its own labor on which the foundations of this Government were laid, or shall it become dependent entirely upon a foreign nation for ships, and let its own workingmen shift for themselves when the bread has been taken from their mouths? To do the latter would be to refuse the advantages God has given us.

Make this issue, and when the people come to understand it there will be no question as to how they will decide. Remember, too, in dealing with this subject, that all the nations of the world, except England, are interested in having more than one country that can build ships.

LOW DUTIES DO NOT PREVENT SMUGGLING.

While the gentleman is ruminating upon the ingratitude of American ship-builders generally, and of the Messrs. Cramp and John Roach specially, let me proceed to consider his seventh proposition, which is:

A protective tariff increases the possibility of the crime of smuggling.

The intent of the gentleman is not very clearly expressed. If he means the possibility of increased profits to the successful smuggler, I admit the proposition. The larger the duty the greater must be the gain by its evasion. If, on the other hand, he intended to assert that a high tariff increases the tendency to smuggle, I deny the assertion, and refer, in support of my position, to the fact that the necessity of repealing the duty on diamonds, the lowest duty known to our tariff, is often urged because, low as it is, it invites smuggling to such an extent as to damage honest importers.

As the gentleman seems to have confined his study of economic questions to theoretic writers, he is probably not aware that more than thirty years ago a committee appointed by this House to consider and report on the commercial relations of the United States with all foreign nations embodied in its report part of a memorial presented by the class of commerce of the Society for the Promotion of Commerce and Industry in Geneva, in which manufacturers of watches upon which when imported into this country there was a duty of but 10 per cent. prayed that it should be reduced to 5 per cent., in order to induce Swiss manufacturers less conscientious than

themselves to abandon the practice of accompanying their exports with false and fraudulent invoices. From this appeal, as I find it in the report of the committee of the House, I submit the following extract:

If, in casting the eye over Western Switzerland, we should inquire what articles form the basis of our exchange with the United States, we would find that the variety is exceedingly limited, though in value they are quite important. First, watches, which pay an import duty of 10 per cent. in the ports of the United States. The opinion is general among the watch manufacturers of Geneva that this duty is moderate, and they would not think of asking a reduction unless, indeed, they should be actuated in doing so by considerations of morality and justice, resulting from a belief that if the duty were reduced by 5 per cent. it would remove every inducement on the part of the manufacturers to make false declarations, and would thus protect the honest and conscientious dealer from the disadvantages under which he is placed by declarations of value below the real cost of the merchandise; hence a reduction of this duty by one-half would seem to be demanded by expediency, as it would unquestionably regulate and extend the trade.

When the gentleman remembers that the object of trade is profit, he will see that any rate of duty holds out inducements not only to the smuggler to ply his trade, but also to the consignor, who may invoice his goods at lower prices than those at which he sells, and thereby defraud the government to whose country he exports of the duties to which it is entitled.

While the human heart remains as desperately wicked as it is, and while ambition and avarice prompt men to lawless deeds, any rate of duty will offer possibilities for the crime of smuggling. If the gentleman would put an end to that criminal practice, he must accept the dogma propounded to the American people by the Cobden Club, that free trade requires the abolition of all American custom-houses and the maintenance of our Government by internal taxation alone.

THE PROTECTIVE POLICY IS A PREREQUISITE TO THE DEVELOPMENT OF AN EXPORT TRADE.

The eighth proposition of the gentleman is:

A protective tariff shuts out the American manufacturer from the markets of the world

To this proposition he appends the following argument:

Mexico and South America are supplied with their manufactured goods by England. Our best interests demand that the protective barrier our legislation has erected shall be broken down, that American skill and enterprise may have an opportunity to compete with foreign manufactures everywhere. Our manufactures need more an increase of market, by which foreign capital can be brought into this country, than protective legislation, which takes money from one American pocket to put it into another.

To answer all this I refer the gentleman to my rejoinder to his first proposition, and say to him that whatever article we produce in excess of the demands of the home market is exported and finds ready sale in foreign countries. They are comparatively few, and are com-

mended to foreign consumers by the excellence of their quality. They embrace among other things every variety of saws, sewing-machines, the better class of watches, surgical instruments, locomotives, passenger cars, especially street cars, butter, cheese, and lard. Our protective legislation has erected no barrier against the export of the productions of American skill and enterprise. On the contrary, by increasing our production it constantly adds to our power to export. The protective system by building up centers of industry in every part of the country has created a home demand for 90 per cent. of our cereals, provisions, and other farm products. The surplus we export. We also export petroleum, cotton, and tobacco, because we produce each year more than the home market can consume. For the same reason China and Japan export raw silk and tea; India, raw jute, dye stuffs, and crude drugs; Brazil, coffee; France, wines and manufactured silks; and England, manufactures in general. When by the persistent maintenance of an adequately protective system the capacity of our factories shall exceed the home demand, our export of manufactured goods will make itself felt in the markets of the world.

If, as the gentleman asserts, it be true that our protective tariff is a barrier to exports or a restriction upon international trade, how will he explain the immense progress which characterizes our foreign trade, both in the matter of exports and imports. The year 1879 showed an excess of both over that of any preceding year, and the following paragraph, taken from a leading mercantile journal of free-trade proclivities, will show how much those of 1880 exceeded those of 1879:

The value of the imports of merchandise into the United States during the calendar year of 1880 was $696,803,433, an increase of $183,200,637 over the imports of 1879. The specie value of exports during the same period was $889,649,840, an increase of $124,490,015 over 1879. Excess of exports over imports in 1880, $192,846,407. The value of exports of merchandise during the month of December last was $98,856,632, being larger than during any previous month in the history of the country. The excess of imports of gold and silver coin and bullion during the year 1880 was $69,229,822, against $67,375,960 in 1879.

Damaging to the gentleman's theories as are the facts presented by this paragraph, he may take refuge in the suggestion that I have chosen an exceptional period and drawn a general conclusion from an individual instance. In this he would however be mistaken. I am happily able to present a table of our annual exports and imports for a period of twenty years, which shows that our foreign trade during nineteen years of protection expanded from a total of $479,555,941 to a total of $1,480,305,239. Appended to the admirable reply of Dr. John L. Hayes, of Boston, to the impudent letter of Augustus Mongredien, to which I have referred, I find the following note, which shows how

gradual yet how rapid has been the growth of our foreign trade under a protective tariff:

That protection increases foreign commerce, both imports and exports, is most remarkably shown by twenty years' experience under the Morrill tariff, with its complements and improvements, as shown in the following table, compiled from the reports of the Bureau of Statistics, giving the total of all the imports and exports of merchandise by the United States in each fiscal year, from 1861 to 1880:

Fiscal years ending June 30—	Merchandise—Gold value.		
	Net imports.	Domestic exports.	Total foreign trade.
1861	$274,656,325	$204,899,616	$479,555,941
1862	178,330,200	179,644,024	357,974,224
1863	225,375,280	186,003,912	411,379,192
1864	301,113,322	143,504,027	444,617,349
1865	209,656,525	136,940,248	346,596,773
1866	423,470,646	337,518,102	760,988,748
1867	381,041,764	279,786,809	660,828,573
1868	344,873,441	269,389,900	614,263,341
1869	406,555,379	275,166,697	681,722,076
1870	419,803,113	376,616,473	796,419,586
1871	505,802,414	428,398,908	934,201,322
1872	610,904,622	428,487,131	1,039,391,753
1873	624,689,727	505,033,439	1,129,723,166
1874	550,556,723	569,433,421	1,119,990,144
1875	518,846,825	499,284,100	1,018,130,925
1876	445,938,766	525,582,247	971,521,013
1877	438,518,130	589,670,224	1,028,188,354
1878	422,895,034	680,709,268	1,103,604,302
1879	433,679,124	698,340,790	1,132,019,914
1880	656,198,440	824,106,799	1,480,305,239

The gentleman, when speaking in support of his resolution, referred to the state of our trade in 1860, when the rate of duty was, he said, but about 18 per cent. This was an unfortunate reference. We were then under the lowest tariff, that of 1857, which has prevailed since the peace of 1815. What was the condition of the people and the Government in 1860? The people were without employment and want pervaded every section of the country. So utterly had the credit of the Government disappeared that when it invited all the world to bid for a loan of $5,000,000 which Congress had authorized, it received bids for but $2,500,000 at annual rates of interest ranging from 8 to 32 per cent. What our exports and imports were for that year I cannot at this moment say, but the foregoing table enables me to speak of 1861, the trade of which year was conducted under the law of 1857. In that year we imported $274,656,325, and our total trade, exports and imports, amounted to $479,555,941. Since then we have had nineteen consecutive years of the highest ranges of duties ever known to the American people. The trade of 1880 having been under the rate of 46⅝ per cent., if the gentleman's theory were correct we should have imported less than in 1860, and exported less, because, he tells us, that if

we do not take commodities from foreign nations they cannot take our goods—that trade is mere exchange of commodities. Now, it happens that in 1880 we imported $656,198,440 and exported $824,106,799. In what did we receive the larger part of the difference between our imports of merchandise and our exports? Gold, sir; gold. Whether we buy from them or not, nations take from us those things which they must have and of which we produce a surplus, and pay for them if need be with gold. Thus we who, but a short time since, could not maintain specie payments, are now said to have the largest and most rapidly increasing stock of gold of any of the commercial nations of the world.

Let us look at this thing from another point of view. Our total commerce, including imports and exports, in 1861, under a purely revenue tariff, was $479,000,000, while in 1880, under our highly protective duties, more than $1,000,000,000 had been added to this amount, for our foreign trade last year amounted to more than $1,480,000,000. The gentleman should have given some consideration to the actual condition of the industries and trade of his country before committing himself anew to propositions which were impressed upon his youthful mind by indolent professors who found it easier to accept sophisms, which had been collated and illustrated in British text-books, than to give practical study to the questions involved in a true social science.

The suggestion that a protective tariff restricts external trade is not original with the gentleman. Sir John Byles discussed it with the free-traders of England in the first edition of his Sophisms. In chapter 10, under the caption, Protection would destroy External Trade, he says:

One answer to this assertion is an appeal to facts. No nation has adopted the theory and practice of protection to the same extent as England; no nation has at the same time enjoyed so extensive and lucrative a foreign trade. For centuries the protective policy has been unquestioned and triumphant; for centuries our foreign trade has been steadily augmenting. The strictest protection in the world has coincided with the greatest foreign trade in the world.

In truth, the domestic activity, industry, and prosperity, fostered by the protective system, is the surest basis of a permanent and extensive and mutual foreign trade.

In the first place, with protection and a certain home market have arisen *the means of purchase*. Under a strict and jealous system of protection we have seen the rise of Manchester, Birmingham, Sheffield, Merthyr, Leeds, Glasgow, Huddersfield, Bradford, Nottingham, Coventry, Leicester. We have seen skill and machinery brought to perfection. Protection has not blunted the invention or superseded the ingenuity of our countrymen. On the contrary, our cottons, and woolens, and hardware *were* the best in the world. What England would have been *without* protection from foreign manufactures, we know not. She might have been what Ireland now is without protection from British manufactures. But it is certain that with protection the means of purchase have been created and multiplied in a degree marvelous, and transcending all anticipation. Had the manufacturing prosperity of England been matter of ancient history, looking at its diminutive size

on the map of the world, it would have been deemed incredible and fabulous. Our means of purchase are immense and inexhaustible. All we now want is markets—but markets for the support and existence of these means of purchase, as well as for their increase. A sure market created them; insecure and precarious markets will destroy them, and leave in their place a wretched and discontented population. Thus with protection has arisen the first indispensable prerequisite for foreign trade—things to give in exchange for foreign commodities; in other words, the means of purchase—exports.

The weight of authority against the gentleman's proposition is overwhelming. The Cobden Club recently invited one of its most distinguished members, Sir Louis Mallett, C. B., to dispose of the alleged heresy of reciprocity in trade, which is growing rapidly among the English people; and in the course of the letter addressed to Mr. Thomas Bayley Potter, secretary of the club, on that question, Sir Louis illustrated not only the extent of our exports to the British Islands, but did it by showing what the gentleman will be surprised to learn, that free-trade England collects annually about five million dollars more in duties upon the goods she imports from protective America than protective America does on the goods she imports from free-trade England. On this subject he says:

The £20,000,000 which we annually raise in duties on foreign goods may be roughly divided among our different neighbors in the following proportions:

The United States of America	£6,000,000
India and China	3,500,000
France	1,500,000
Spain	1,000,000
Germany	880,000
Portugal	450,000
Greece	320,000
Holland	150,000
Italy	80,000
British possessions	400,000
Other foreign countries	200,000

And of all these countries there is hardly one which draws as large a revenue from the taxation of British produce. To take only two examples, the United States and France. The total value of British produce exported to the former country in 1877 was £16,300,000; making allowance for the entry of a certain amount of goods duty free, the average rate levied can hardly be put higher than 30 per cent., which would give a total revenue of about five million pounds, while in the case of France the duties actually levied on British goods in the same year amounted to a little over eight hundred thousand pounds.

THE REMEDY PROPOSED—REDUCED WAGES AND INCREASED TAXES FOR WORKINGMEN.

The ninth proposition of the gentleman is as follows:

Ninth. To the end that the present tariff shall become one for revenue only, the following changes should be made: First, on all dutiable articles producing little or no revenue to the Government, the duty should be returned to a revenue basis, or they should be placed upon the free list; second, the duty upon tea and coffee should be restored, and to the extent that this duty produces revenue to the Government the duty should be removed from salt and clothing, and other articles indispensably necessary in domestic life.

The gentleman is evidently not aware that it is in times of commercial and industrial depression that the protecting influence of a tariff is needed and felt. If he will examine the range of prices through which Bessemer rails have fluctuated as exhibited in the preceding table, and compare them with the seasons in which that article has yielded little or no revenue and those in which it has yielded the highest annual amount, he will find that though the duty was specific, so much per ton, not an ad valorem diminishing as prices fell, we received least duty when we could have imported rails at the lowest prices, and most when we had to pay the highest prices for them. Thus during the prevalence of the commercial depression of 1873 and following years there was no demand for rails. Our own works were but feebly employed. Under these circumstances we imported few if any rails, and of course received little or no revenue. Would it have been wise, therefore, to have acted on the gentleman's suggestion and repealed the duty on rails because it "produced little or no revenue to the Government?" With the restoration of confidence came a demand for rails; prices rose; our mills could not supply the demand, and enormous importations were made, with consequent increase of revenue to the Government. Meanwhile competition between home and foreign producers regulated prices and kept them below what England demanded when she had a monopoly of our market. The primary office of a protective tariff is to secure the home market to its producers in seasons of depression and to enable the Government to collect from foreigners a consideration for the privilege of entering our markets in seasons of prosperity, during which their commodities command high prices. The gentleman's rule will not work. It would deprive American capital and labor of its defense in the seasons when they most needed it.

But no reduction of duty on rails, and I take them as an illustration of the law that prevails with reference to all commodities, would have brought revenue during that season of terrible depression. The nation's revenues fell off because the consumptive power of the people was suspended; and had we acted on the gentleman's proposition, we might, in the hope of inviting an importation of rails, have placed them on the free list, and yet failed to induce those who did not need any to import them.

Nor are his other suggestions more judicious than this one. He would restore the duties on tea and coffee. In this he dissents from the historic policy of his party. Free-trader and protectionist have agreed that the duties on tea and coffee protected no American industry, as we produce neither article, and were, therefore, a pure tax upon the consumer. As the farmers and laborers of the country are the great consumers of tea and coffee, the democratic party, made up as it has been so largely of representatives of the South and West, favored

the abolition of these duties. They were imposed during the war with general regret, and it was upon the motion of the present democratic Speaker of the House that they were repealed. To restore them now would be simply to increase the price of tea and coffee, and abstract from the farmers and laborers of the country the amount of duty they would yield. While thus increasing the cost of these essentials of American life, the gentleman would, to the extent that these duties should produce revenue, remove the protective duties "from salt, clothing, and other articles indispensably necessary in domestic life." These our laborers do produce. The duties upon them protect their wages. Thus, while making an assault on the wages of those engaged in producing the necessaries of life, the gentleman would enhance the cost of their imported food. The proposition is not a patriotic one or one that will find favor among farmers and workingmen.

LET THE LONDON TIMES PRONOUNCE JUDGMENT.

Mr. Chairman, thus have I attempted to refute the sophisms which the gentleman proclaims as principles, and to disprove the assumed facts upon which they are based. Let the argument go to the country. Nay, more; having portrayed the results of ten years of the revenue tariff of 1846, which brought us from prosperity to bankruptcy, notwithstanding our production of more than a thousand millions of gold during a decade, I now in conclusion point to the results of nineteen consecutive years of high protection. I will not attempt to portray them. It has been admirably done by another; and I submit to my friend, the gentleman from Ohio, the summary of a stranger, of one whose fidelity to the principles of free trade he will not doubt, who has never a kind word to say for the protective system, as he is a profound believer in free trade—the editor of the London Times. Between the gentleman and me this free-trader shall decide by presenting the results of the last ten years of protection. If he finds the growth of our country to be sluggish, and our people to be wanting in enterprise or needing the comforts of life, his judgment will sustain the argument of the gentleman. If, on the other hand, he shows a measure of material development and social progress hitherto unknown to history, and that it has been marked by the development, side by side over the vast expanse of our country, of new agricultural regions, and of centers of industry in their midst, that town and country goes together, I shall claim that his judgment vindicates the protective policy under which these grand results have been attained. Here is what the London Times says of our progress during the last decade:

AMERICA'S MAGNIFICENT PROGRESS.

The details we publish this morning of the principal facts elicited by last year's census of the United States confirm the impression the original summary of results produced. A nation has never exhibited a more magnificent picture of material

progress for ten years. Since 1870 more than eleven and a half millions have been added to the population, at a rate of 30 per cent. increase. Except China and Great Britain and Russia, no Government can count more subjects. In the number of citizens moved by similar impulses, and recognizing common ends, the British Empire itself yields to the great Republic. Fifty millions of human beings in a land like America more than match the 86,000,000 of European and Asiatic Russia. The 425,000,000 of China are not to be compared with them as a force among mankind. The growth of a population may generally be understood to imply the growth of wealth and resources. As each census in a European state indicates a numerical advance, it may for the most part be inferred that fresh means of support have been made available. When, however, every successive census in the United States reveals an expansion by bounds and leaps, faith in the instinct of human nature not to multiply beyond the power of existence is scarcely needed to reassure anxiety. The granary which is to feed the new millions which have come, the millions which are to follow, piles its stores for the whole world to certify them. Each added American citizen has not to search for the livelihood nature hides somewhere or other for all its children. He is born or imported with his inheritance labeled and allotted. He has but to go west, or north, or south; there it is awaiting his advent.

European populations, even the home population of Great Britain, it must be acknowledged, have rather in their decennial polls a look of boys growing out of their clothes. An elbow or an ankle is sure to be seen betraying a want of proportion between past resources and present demands. On the other side of the Atlantic there is a magazine of clothes warranted to fit all ages and sizes. Good soil is crying out everywhere for its owners to come and possess it. They have not to conquer and annex. Though the domain be lying desolate, or be a hunting-ground for Indians, it confesses itself their own, for them to enter it and enjoy it as soon as they please, the sooner the better. How fresh thousands and hundreds of thousands of acres are continually being brought under tillage, Europe requires no census ordered from Washington to tell. The West and the Northwest are a home farm for the older hemisphere; the laborers on this side of the Atlantic hear the echo of each mile of territory broken up by the plow on that. The census shows that the growth is universal and not partial. The census itself hardly does justice to the energy with which the South is keeping pace with the rest. The rate in one class of industry approximates to that in another. As the farmers of Minnesota have multiplied from 439,706 in 1870 to 780,707 in 1880, the commercial and mining population of Pennsylvania has risen from 3,521,951 to 4,282,738.

While the vegetable and mineral riches of the West are being reduced into possession for the benefit of the universe at large, American cities assert their right to take toll of the fruits before they are distributed over the earth. If the State of Colorado can boast 174,649 inhabitants as against 39,864 ten years ago, Chicago points, after a proportion hardly unequal, to 503,304 citizens against 298,977 in 1870, and San Francisco to 233,956 as against 149,473. When cities have enlarged to the dimensions of New York and Brooklyn, Philadelphia, Boston, and Baltimore, they extend more slowly, yet they too may discover ample foundation in the census of last June for their own belief that they are taking higher rank among the commercial cities of the world. What is more remarkable still is the equivalent expansion of smaller local centers. That Saint Louis and Cincinnati and New York and Baltimore and the like should fringe the vast grain and cotton and beef bearing regions of the Union with populous and luxurious towns is only what might have been anticipated. It was certain that they would grow with the growth of agricultural industry. To the late Mr. Cobbett they would have seemed as much of idle wasting wens as London itself with his Mayfair, its exchange, its parliament, and its law courts. They are, in truth, as necessary to American prosperity as the minerals of Nevada and California and the corn-fields of Illinois and Iowa.

But the Union might have had its splendid towns and its breadths of fertile plains and valleys without any very intimate connection between the two.

It is a peculiarity of North American development, and evidence of its solidity, that town and country grow together. As the branches and roots of a healthy tree should stretch forth in unison, prosperous country life in a newly-planted American territory is certain to have its reflex in a thriving neighboring market town. Not many Englishmen are familiar with the name of Minneapolis. Yet Minneapolis, in Minnesota, which in 1870 had 13,066 citizens, and now has 46,887, is as much a center of corporate vitality as York, and a great deal more than Marylebone or Paddington. The Hobokens, the Omahas, the Toledos, the Wheelings, the Grand Rapids are more real wonders of United States progress than the magnificent emporiums of trade, like New York and Saint Louis and Chicago and Pittsburgh. Europe can do more than equal the one class in the apparatus of civilization, if not in rapidity of growth; for the other it has no parallel. As soon as the pioneers go forth into the woods and prairies to reclaim their latent treasures, most of the luxuries and many of the comforts of civilization attend their steps. Within no more time than it takes to open the mine or the forest, a town rises contiguous to their homesteads. The figures our Philadelphia correspondent appends to his condensation of the last census bring into relief this most striking of all the features of American vigor. Americans differ extraordinarily among themselves in the vocations they pursue. North and South differ in moral and mental organization; East and West differ hardly less. Every State has its idiosyncrasies by which its population may be distinguished. Yet all Americans agree in a common determination nowhere to sever themselves from the incidents of nineteenth century existence. They are ready to bury themselves in mines and to plunge into the untrodden wilderness. They insist, however, that a camp shall track their footsteps equipped with the ordinary accompaniments of municipal life. They must have within not impracticable distance the lecture hall, the church, the newspaper office. They will not, at whatever cost, cease to feel themselves not merely Americans but American citizens.

The result does not conduce to the picturesqueness of American nationality. As the European tourist traverses the Union he is amazed at the high standard of social convenience throughout the enormous dominion. All that can be accomplished by human co-operation he perceives has been accomplished in a greater or less degree for the benefit of the American farmer. England and France and Germany could not conceive a form of material or intellectual enjoyment of which the universal American population would not demand a share or a duplicate. On the other hand, the effect is occasionally like that of a dinner at a cheap Paris restaurant. The order and the number and the titles of the banquets of the extravagant vicinity are faithfully reproduced, with alien substances and a counterfeit flavor. A foreign observer of American institutions in the newer States and Territories regrets the local and racy charm disguised to him by what he may think a false mimicry of a more advanced cultivation. In truth, there is no conscious mimicry, and no absence of reality in intention or enjoyment. The farmer of the West and the tradesman of the ten or twenty year old town of his district are natural enough in the resemblance they maintain to the habits and tastes of Boston and New York. Wherever the American goes he carries himself with him unchanged, however changed may be his calling and his circumstances. To lament the dead if high level, and the loss of the charm of variety, is to lament that in which the essence of American national progress consists. If there is little fear for the integrity of American nationality, vast as the area over which it extends, and impossible as may seem its future bulk, the reason is to be sought in the unity of the mold in which each new development is cast. At every step the Union takes toward appropriating its estate, the last annexed township assumes a social as well as a polit-

ical aspect indistinguishable from all the rest. The model is not in New York, or Boston, or Washington. Were there a dominant center or centers, jealousy or a suspicion of oppression might alienate distant territories. Every American conveys his ideal with him to the extremities of his land. When he plants a new settlement it and its members spontaneously assume the same guise which prevails elsewhere. Instead of any diminution in the tendency to uniformity, it increases. The South itself cannot resist the impulse. It is certainly not to be desired that it should. An immense wave of uniform civilization spreading over the huge domain which the Congress of the United States sways is a strange and, on the whole, an admirable phenomenon.

Sir, in conclusion let me say, that if systems may be judged by their results, this presentation by the London Times of those of the last of two consecutive decades of high protection furnishes to the world abundant evidence that our tariff legislation has not, as the gentleman asserts, been mistaken or obstructive.

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